

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 2995

(SENATE AUTHORS: WIKLUND)

DATE	D-PG	OFFICIAL STATUS
03/20/2023	2118	Introduction and first reading Referred to Health and Human Services
04/12/2023	4262a	Comm report: To pass as amended and re-refer to Finance
04/18/2023	5251a	Comm report: To pass as amended
	5413	Second reading
04/19/2023	5424	Special Order: Amended
	5458	Third reading Passed
04/27/2023	6539	Returned from House with amendment Senate not concur, conference committee of 5 requested
	6578	Senate conferees Wiklund; Morrison; Boldon; Kupec; Abeler
04/28/2023	6612	House conferees Liebling; Bierman; Pinto; Keeler; Schomacker
05/22/2023		Conference committee report, delete everything Motion to reject CC report, did not prevail Senate adopted CC report and repassed bill Third reading House adopted SCC report and repassed bill

1.1 A bill for an act

1.2 relating to state government; modifying provisions governing health care, health

1.3 insurance, health policy, the Department of Health, medical education and research

1.4 costs, health care workforce, health-related licensing boards, background studies,

1.5 human services licensing, behavioral health, economic assistance, housing and

1.6 homelessness, children and families, child care workforce, child support, child

1.7 safety, child permanency, health care affordability and delivery, human services

1.8 policy, and certified community behavioral health clinics; establishing the

1.9 Department of Children, Youth, and Families; making technical and conforming

1.10 changes; requiring reports; making forecast adjustments; appropriating money;

1.11 amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 12A.08,

1.12 subdivision 3; 13.10, subdivision 5; 13.46, subdivision 4; 13.465, subdivision 8;

1.13 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.151, subdivision 2;

1.14 43A.08, subdivision 1a; 62A.045; 62A.30, by adding subdivisions; 62A.673,

1.15 subdivision 2; 62J.03, by adding a subdivision; 62J.17, subdivision 5a; 62J.692,

1.16 subdivisions 1, 3, 4, 5, 8; 62J.824; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding

1.17 subdivisions; 62K.10, subdivision 4; 62K.15; 62Q.01, by adding a subdivision;

1.18 62Q.021, by adding a subdivision; 62Q.55, subdivision 5; 62Q.556; 62Q.56,

1.19 subdivision 2; 62Q.675; 62Q.73, subdivisions 1, 7; 62U.01, by adding a subdivision;

1.20 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62V.05, subdivision

1.21 4a; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 103I.208, subdivision

1.22 2, by adding a subdivision; 119B.011, subdivisions 2, 3, 5, 13, 15, 19a; 119B.02,

1.23 subdivision 4; 119B.025, subdivision 4; 119B.03, subdivisions 3, 4a; 119B.05,

1.24 subdivision 1; 119B.09, subdivision 7; 119B.095, subdivisions 2, 3; 119B.10,

1.25 subdivisions 1, 3; 119B.105, subdivision 2; 119B.125, subdivisions 1, 1a, 1b, 2,

1.26 3, 4, 6, 7; 119B.13, subdivisions 1, 4, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161,

1.27 subdivisions 2, 3; 119B.19, subdivision 7; 121A.335; 122A.18, subdivision 8;

1.28 144.122; 144.1481, subdivision 1; 144.1501, subdivision 2; 144.1505; 144.1506,

1.29 subdivision 4; 144.2151; 144.218, subdivisions 1, 2; 144.222; 144.225, subdivision

1.30 2; 144.2252; 144.226, subdivisions 3, 4; 144.382, by adding subdivisions; 144.55,

1.31 subdivision 3; 144.615, subdivision 7; 144.651, by adding a subdivision; 144.6535,

1.32 subdivisions 1, 2, 4; 144.69; 144.9501, subdivisions 9, 17, 26a, 26b, by adding

1.33 subdivisions; 144.9505, subdivisions 1, 1g, 1h; 144.9508, subdivision 2; 144A.06,

1.34 subdivision 2; 144A.071, subdivision 2; 144A.073, subdivision 3b; 144A.474,

1.35 subdivisions 3, 9, 12; 144A.4791, subdivision 10; 144E.001, subdivision 1, by

1.36 adding a subdivision; 144E.101, subdivisions 6, 7, 12; 144E.103, subdivision 1;

1.37 144E.35; 144G.16, subdivision 7; 144G.18; 144G.57, subdivision 8; 145.411,

1.38 subdivisions 1, 5; 145.4131, subdivisions 1, 2; 145.4134; 145.423, subdivision 1;

2.1 145.4716, subdivision 3; 145.87, subdivision 4; 145.924; 145.925; 145A.131,
 2.2 subdivisions 1, 2, 5; 145A.14, by adding a subdivision; 147.02, subdivision 1;
 2.3 147.03, subdivision 1; 147.037, subdivision 1; 147.141; 147A.16; 147B.02,
 2.4 subdivisions 4, 7; 148.261, subdivision 1; 148.512, subdivisions 10a, 10b, by
 2.5 adding subdivisions; 148.513, by adding a subdivision; 148.515, subdivision 6;
 2.6 148.5175; 148.5195, subdivision 3; 148.5196, subdivision 1; 148.5197; 148.5198;
 2.7 148B.392, subdivision 2; 150A.08, subdivisions 1, 5; 150A.091, by adding a
 2.8 subdivision; 150A.13, subdivision 10; 151.065, subdivisions 1, 2, 3, 4, 6; 151.37,
 2.9 subdivision 12; 151.555; 151.74, subdivisions 3, 4; 152.126, subdivisions 4, 5, 6;
 2.10 152.28, subdivision 1; 152.29, subdivision 3a; 153A.13, subdivisions 3, 4, 5, 6, 7,
 2.11 9, 10, 11, by adding subdivisions; 153A.14, subdivisions 1, 2, 2h, 2i, 2j, 4, 4a, 4b,
 2.12 4c, 4e, 6, 9, 11, by adding a subdivision; 153A.15, subdivisions 1, 2, 4; 153A.17;
 2.13 153A.175; 153A.18; 153A.20; 168B.07, subdivision 3; 245.095; 245.462,
 2.14 subdivision 17; 245.4661, subdivision 9; 245.4663, subdivisions 1, 4; 245.469,
 2.15 subdivision 3; 245.4889, subdivision 1; 245.4901, subdivision 4, by adding a
 2.16 subdivision; 245.735, subdivisions 3, 5, 6, by adding subdivisions; 245A.02,
 2.17 subdivisions 2c, 5a, 6b, 10b, by adding a subdivision; 245A.03, subdivision 2;
 2.18 245A.04, subdivisions 1, 4, 7, 7a; 245A.041, by adding a subdivision; 245A.05;
 2.19 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivisions 1,
 2.20 2a, 3; 245A.10, subdivisions 3, 4; 245A.11, by adding a subdivision; 245A.14,
 2.21 subdivision 4; 245A.1435; 245A.146, subdivision 3; 245A.16, subdivisions 1, 9,
 2.22 by adding subdivisions; 245A.18, subdivision 2; 245A.50, subdivisions 3, 4, 5, 6,
 2.23 9; 245A.52, subdivisions 1, 3, 5, by adding a subdivision; 245A.66, by adding a
 2.24 subdivision; 245C.02, subdivisions 6a, 11c, 13e, by adding subdivisions; 245C.03,
 2.25 subdivisions 1, 1a, 4, 5, 5a; 245C.031, subdivisions 1, 4; 245C.04, subdivision 1;
 2.26 245C.05, subdivisions 1, 2c, 4, by adding a subdivision; 245C.07; 245C.08,
 2.27 subdivision 1; 245C.10, subdivisions 1d, 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13,
 2.28 14, 15, 16, 17, 20, 21; 245C.15, subdivision 2, by adding a subdivision; 245C.17,
 2.29 subdivisions 2, 3, 6; 245C.21, subdivisions 1a, 2; 245C.22, subdivision 7; 245C.23,
 2.30 subdivisions 1, 2; 245C.30, subdivision 2; 245C.31, subdivision 1; 245C.32,
 2.31 subdivision 2; 245C.33, subdivision 4; 245D.261, subdivision 3, as added if enacted;
 2.32 245E.06, subdivision 3; 245G.01, by adding a subdivision; 245G.03, subdivision
 2.33 1; 245G.11, subdivision 10; 245G.13, subdivision 2; 245H.01, subdivisions 3, 5,
 2.34 by adding a subdivision; 245H.02; 245H.03, subdivisions 2, 4, by adding a
 2.35 subdivision; 245H.05; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2;
 2.36 245H.08, subdivisions 4, 5; 245H.13, subdivisions 3, 7, 9; 245I.011, subdivision
 2.37 3; 245I.04, subdivisions 14, 16; 245I.05, subdivision 3; 245I.08, subdivisions 2,
 2.38 3, 4; 245I.10, subdivisions 2, 3, 5, 6, 7, 8; 245I.11, subdivisions 3, 4; 245I.20,
 2.39 subdivisions 5, 6, 10, 13, 14, 16; 246.54, subdivision 1a, as amended if enacted;
 2.40 254B.02, subdivision 5; 254B.05, subdivisions 1, 1a; 256.01, by adding a
 2.41 subdivision; 256.014, subdivisions 1, 2; 256.046, subdivisions 1, 3; 256.0471,
 2.42 subdivision 1; 256.478, subdivisions 1, 2, by adding subdivisions; 256.962,
 2.43 subdivision 5; 256.9655, by adding a subdivision; 256.9685, subdivisions 1a, 1b;
 2.44 256.9686, by adding a subdivision; 256.969, subdivisions 2b, 9, 25, by adding a
 2.45 subdivision; 256.98, subdivision 8; 256.983, subdivision 5; 256.987, subdivision
 2.46 4; 256B.04, subdivisions 14, 15, by adding a subdivision; 256B.051, subdivision
 2.47 5; 256B.055, subdivision 17; 256B.056, subdivision 7, by adding a subdivision;
 2.48 256B.0622, subdivisions 7b, 7c, 8; 256B.0623, subdivision 4; 256B.0624,
 2.49 subdivisions 5, 8; 256B.0625, subdivisions 3a, 5m, 9, 13, 13c, 13e, 13f, 13g, 16,
 2.50 28b, 30, 31, 34, by adding subdivisions; 256B.0631, subdivisions 1, 3, by adding
 2.51 a subdivision; 256B.064; 256B.0652, subdivision 5; 256B.0757, subdivision 4c;
 2.52 256B.0941, subdivisions 2a, 3, by adding subdivisions; 256B.0946, subdivisions
 2.53 4, 6; 256B.0947, subdivisions 7, 7a; 256B.27, subdivision 3; 256B.434, subdivision
 2.54 4f; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2;
 2.55 256B.75; 256B.758; 256B.76, subdivision 1, as amended; 256B.761; 256B.763;
 2.56 256B.764; 256D.01, subdivision 1a; 256D.02, by adding a subdivision; 256D.024,
 2.57 subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.07;
 2.58 256D.44, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35,

3.1 subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13, 15, by adding a
3.2 subdivision; 256I.04, subdivisions 1, 2, 3; 256I.05, subdivisions 1a, 2; 256I.06,
3.3 subdivisions 3, 6, 8, by adding a subdivision; 256I.09; 256J.01, subdivision 1;
3.4 256J.02, subdivision 2; 256J.08, subdivisions 21, 65, 71, 79; 256J.09, subdivisions
3.5 3, 10; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1;
3.6 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.40; 256J.42,
3.7 subdivision 5; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a;
3.8 256J.49, subdivision 9; 256J.50, subdivision 1; 256J.521, subdivision 1; 256J.621,
3.9 subdivision 1; 256J.626, subdivisions 2, 3; 256J.751, subdivision 2; 256J.95,
3.10 subdivision 5; 256K.45, subdivisions 3, 7, by adding a subdivision; 256L.03,
3.11 subdivisions 1, 5; 256L.04, subdivision 10; 256N.24, subdivision 12; 256P.01, by
3.12 adding subdivisions; 256P.02, subdivisions 1a, 2, by adding subdivisions; 256P.04,
3.13 subdivisions 4, 8, by adding a subdivision; 256P.06, subdivision 3, by adding
3.14 subdivisions; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 259.83,
3.15 subdivisions 1, 1a, 1b, by adding a subdivision; 260.761, subdivision 2, as amended;
3.16 260C.007, subdivisions 14, 26d; 260C.221, subdivision 1; 260C.317, subdivisions
3.17 3, 4; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03,
3.18 subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5;
3.19 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions
3.20 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 261.063; 270B.14, subdivision
3.21 1, by adding a subdivision; 297F.10, subdivision 1; 403.161, subdivisions 1, 3, 5,
3.22 6, 7; 403.162, subdivisions 1, 2, 5; 514.972, subdivision 5; 518A.31; 518A.32,
3.23 subdivisions 3, 4; 518A.34; 518A.39, subdivision 2; 518A.41; 518A.42,
3.24 subdivisions 1, 3; 518A.43, subdivision 1b; 518A.65; 518A.77; 524.5-118;
3.25 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special
3.26 Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special
3.27 Session chapter 7, article 1, section 36, as amended; article 2, section 84; article
3.28 6, section 26; article 14, section 23; article 16, sections 2, subdivision 32, as
3.29 amended; 3, subdivision 2, as amended; 28, as amended; article 17, sections 5,
3.30 subdivision 1; 6, as amended; 12, as amended; Laws 2022, chapter 99, article 1,
3.31 section 46; article 3, section 9; Laws 2023, chapter 52, article 5, section 27; article
3.32 7, sections 12; 16; 2023 S.F. No. 2934, article 9, section 2, subdivision 16, if
3.33 enacted; proposing coding for new law in Minnesota Statutes, chapters 4; 62J;
3.34 62Q; 62V; 103I; 115; 119B; 144; 144E; 145; 145A; 148; 245; 245A; 245C; 256;
3.35 256B; 256D; 256E; 256K; 256P; 260; 290; proposing coding for new law as
3.36 Minnesota Statutes, chapter 143; repealing Minnesota Statutes 2022, sections
3.37 62J.692, subdivisions 4a, 7, 7a; 62J.84, subdivision 5; 62Q.145; 62U.10,
3.38 subdivisions 6, 7, 8; 119B.011, subdivision 10a; 119B.03, subdivision 4; 137.38,
3.39 subdivision 1; 144.059, subdivision 10; 144.212, subdivision 11; 144.9505,
3.40 subdivision 3; 145.411, subdivisions 2, 4; 145.412; 145.413, subdivisions 2, 3;
3.41 145.4132; 145.4133; 145.4135; 145.4136; 145.415; 145.416; 145.423, subdivisions
3.42 2, 3, 4, 5, 6, 7, 8, 9; 145.4235; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245;
3.43 145.4246; 145.4247; 145.4248; 145.4249; 153A.14, subdivision 5; 245A.22;
3.44 245C.02, subdivisions 9, 14b; 245C.031, subdivisions 5, 6, 7; 245C.032; 245C.11,
3.45 subdivision 3; 245C.30, subdivision 1a; 245C.301; 256.8799; 256.9685,
3.46 subdivisions 1c, 1d; 256.9864; 256B.011; 256B.0631, subdivisions 1, 2, 3; 256B.40;
3.47 256B.69, subdivision 5c; 256B.763; 256D.63, subdivision 1; 256I.03, subdivision
3.48 6; 256J.08, subdivisions 10, 24b, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8;
3.49 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision
3.50 10; 256J.425, subdivision 6; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,
3.51 12, 13, 14, 15, 16, 17, 18, 19; 256P.07, subdivision 5; 259.83, subdivision 3;
3.52 259.89; 260C.637; 261.28; 393.07, subdivision 11; 518A.59; Minnesota Rules,
3.53 parts 4615.3600; 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900;
3.54 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600;
3.55 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300;
3.56 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000;
3.57 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400;
3.58 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900;

4.1 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600;
 4.2 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300;
 4.3 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000;
 4.4 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700;
 4.5 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300;
 4.6 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100;
 4.7 4645.5200; 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300, subparts
 4.8 1, 3, 4, 4a, 5; 4700.2410; 4700.2420; 4700.2500; 5610.0100; 5610.0200; 5610.0300;
 4.9 9505.0235; 9505.0505, subpart 18; 9505.0520, subpart 9b.

4.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

4.11 **ARTICLE 1**

4.12 **HEALTH CARE**

4.13 Section 1. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision
 4.14 to read:

4.15 Subd. 43. **Education on contraceptive options.** The commissioner shall require hospitals
 4.16 and primary care providers serving medical assistance and MinnesotaCare enrollees to
 4.17 develop and implement protocols to provide enrollees, when appropriate, with comprehensive
 4.18 and scientifically accurate information on the full range of contraceptive options, in a
 4.19 medically ethical, culturally competent, and noncoercive manner. The information provided
 4.20 must be designed to assist enrollees in identifying the contraceptive method that best meets
 4.21 their needs and the needs of their families. The protocol must specify the enrollee categories
 4.22 to which this requirement will be applied, the process to be used, and the information and
 4.23 resources to be provided. Hospitals and providers must make this protocol available to the
 4.24 commissioner upon request.

4.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

4.26 Sec. 2. Minnesota Statutes 2022, section 256.0471, subdivision 1, is amended to read:

4.27 Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under
 4.28 ~~chapter 119B~~, the MFIP program formerly codified under sections 256.031 to 256.0361;
 4.29 and the AFDC program formerly codified under sections 256.72 to 256.871; for assistance
 4.30 granted under chapters ~~256B for state-funded medical assistance~~ 119B, 256D, 256I, 256J,
 4.31 and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10,
 4.32 for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B
 4.33 and 256L; and for assistance granted under the Supplemental Nutrition Assistance Program
 4.34 (SNAP), except agency error claims, become a judgment by operation of law 90 days after
 4.35 the notice of overpayment is personally served upon the recipient in a manner that is sufficient
 4.36 under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail,

5.1 return receipt requested. This judgment shall be entitled to full faith and credit in this and
5.2 any other state.

5.3 **EFFECTIVE DATE.** This section is effective July 1, 2023.

5.4 Sec. 3. Minnesota Statutes 2022, section 256.9655, is amended by adding a subdivision
5.5 to read:

5.6 Subd. 3. **Prompt payment required.** (a) In paying claims under medical assistance, the
5.7 commissioner shall comply with Code of Federal Regulations, title 42, section 447.45.

5.8 (b) If the commissioner does not pay or deny a clean claim within the period provided
5.9 in paragraph (a), the commissioner must pay interest on the claim for the period beginning
5.10 on the day after the required payment date specified in paragraph (a) and ending on the date
5.11 on which the commissioner makes the payment or denies the claim.

5.12 (c) The rate of interest paid by the commissioner under this subdivision must be 1.5
5.13 percent per month or any part of a month.

5.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.15 Sec. 4. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

5.16 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
5.17 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
5.18 to the following:

5.19 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
5.20 methodology;

5.21 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
5.22 under subdivision 25;

5.23 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
5.24 distinct parts as defined by Medicare shall be paid according to the methodology under
5.25 subdivision 12; and

5.26 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

5.27 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
5.28 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
5.29 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
5.30 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
5.31 December 31, 2010. For rate setting periods after November 1, 2014, in which the base

6.1 years are updated, a Minnesota long-term hospital's base year shall remain within the same
6.2 period as other hospitals.

6.3 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
6.4 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
6.5 area, except for the hospitals paid under the methodologies described in paragraph (a),
6.6 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
6.7 manner similar to Medicare. The base year or years for the rates effective November 1,
6.8 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
6.9 ensuring that the total aggregate payments under the rebased system are equal to the total
6.10 aggregate payments that were made for the same number and types of services in the base
6.11 year. Separate budget neutrality calculations shall be determined for payments made to
6.12 critical access hospitals and payments made to hospitals paid under the DRG system. Only
6.13 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being
6.14 rebased during the entire base period shall be incorporated into the budget neutrality
6.15 calculation.

6.16 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
6.17 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
6.18 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
6.19 a five percent increase or decrease from the base year payments for any hospital. Any
6.20 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
6.21 shall maintain budget neutrality as described in paragraph (c).

6.22 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
6.23 additional adjustments to the rebased rates, and when evaluating whether additional
6.24 adjustments should be made, the commissioner shall consider the impact of the rates on the
6.25 following:

6.26 (1) pediatric services;

6.27 (2) behavioral health services;

6.28 (3) trauma services as defined by the National Uniform Billing Committee;

6.29 (4) transplant services;

6.30 (5) obstetric services, newborn services, and behavioral health services provided by
6.31 hospitals outside the seven-county metropolitan area;

6.32 (6) outlier admissions;

6.33 (7) low-volume providers; and

7.1 (8) services provided by small rural hospitals that are not critical access hospitals.

7.2 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

7.3 (1) for hospitals paid under the DRG methodology, the base year payment rate per
7.4 admission is standardized by the applicable Medicare wage index and adjusted by the
7.5 hospital's disproportionate population adjustment;

7.6 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
7.7 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
7.8 October 31, 2014;

7.9 (3) the cost and charge data used to establish hospital payment rates must only reflect
7.10 inpatient services covered by medical assistance; and

7.11 (4) in determining hospital payment rates for discharges occurring on or after the rate
7.12 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
7.13 discharge shall be based on the cost-finding methods and allowable costs of the Medicare
7.14 program in effect during the base year or years. In determining hospital payment rates for
7.15 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
7.16 methods and allowable costs of the Medicare program in effect during the base year or
7.17 years.

7.18 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
7.19 the rates established under paragraph (c), and any adjustments made to the rates under
7.20 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
7.21 total aggregate payments for the same number and types of services under the rebased rates
7.22 are equal to the total aggregate payments made during calendar year 2013.

7.23 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
7.24 thereafter, payment rates under this section shall be rebased to reflect only those changes
7.25 in hospital costs between the existing base year or years and the next base year or years. In
7.26 any year that inpatient claims volume falls below the threshold required to ensure a
7.27 statistically valid sample of claims, the commissioner may combine claims data from two
7.28 consecutive years to serve as the base year. Years in which inpatient claims volume is
7.29 reduced or altered due to a pandemic or other public health emergency shall not be used as
7.30 a base year or part of a base year if the base year includes more than one year. Changes in
7.31 costs between base years shall be measured using the lower of the hospital cost index defined
7.32 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
7.33 claim. The commissioner shall establish the base year for each rebasing period considering
7.34 the most recent year or years for which filed Medicare cost reports are available, except

8.1 that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019.
8.2 The estimated change in the average payment per hospital discharge resulting from a
8.3 scheduled rebasing must be calculated and made available to the legislature by January 15
8.4 of each year in which rebasing is scheduled to occur, and must include by hospital the
8.5 differential in payment rates compared to the individual hospital's costs.

8.6 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
8.7 for critical access hospitals located in Minnesota or the local trade area shall be determined
8.8 using a new cost-based methodology. The commissioner shall establish within the
8.9 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
8.10 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
8.11 the total cost for critical access hospitals as reflected in base year cost reports. Until the
8.12 next rebasing that occurs, the new methodology shall result in no greater than a five percent
8.13 decrease from the base year payments for any hospital, except a hospital that had payments
8.14 that were greater than 100 percent of the hospital's costs in the base year shall have their
8.15 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
8.16 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
8.17 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
8.18 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
8.19 following criteria:

8.20 (1) hospitals that had payments at or below 80 percent of their costs in the base year
8.21 shall have a rate set that equals 85 percent of their base year costs;

8.22 (2) hospitals that had payments that were above 80 percent, up to and including 90
8.23 percent of their costs in the base year shall have a rate set that equals 95 percent of their
8.24 base year costs; and

8.25 (3) hospitals that had payments that were above 90 percent of their costs in the base year
8.26 shall have a rate set that equals 100 percent of their base year costs.

8.27 (j) The commissioner may refine the payment tiers and criteria for critical access hospitals
8.28 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
8.29 methodology may include, but are not limited to:

8.30 (1) the ratio between the hospital's costs for treating medical assistance patients and the
8.31 hospital's charges to the medical assistance program;

8.32 (2) the ratio between the hospital's costs for treating medical assistance patients and the
8.33 hospital's payments received from the medical assistance program for the care of medical
8.34 assistance patients;

9.1 (3) the ratio between the hospital's charges to the medical assistance program and the
9.2 hospital's payments received from the medical assistance program for the care of medical
9.3 assistance patients;

9.4 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

9.5 (5) the proportion of that hospital's costs that are administrative and trends in
9.6 administrative costs; and

9.7 (6) geographic location.

9.8 **EFFECTIVE DATE.** This section is effective July 1, 2023.

9.9 Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

9.10 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions
9.11 occurring on or after July 1, 1993, the medical assistance disproportionate population
9.12 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional
9.13 treatment centers and facilities of the federal Indian Health Service, with a medical assistance
9.14 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined
9.15 as follows:

9.16 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic
9.17 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian
9.18 Health Service but less than or equal to one standard deviation above the mean, the
9.19 adjustment must be determined by multiplying the total of the operating and property
9.20 payment rates by the difference between the hospital's actual medical assistance inpatient
9.21 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers
9.22 and facilities of the federal Indian Health Service; and

9.23 (2) for a hospital with a medical assistance inpatient utilization rate above one standard
9.24 deviation above the mean, the adjustment must be determined by multiplying the adjustment
9.25 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall
9.26 report annually on the number of hospitals likely to receive the adjustment authorized by
9.27 this paragraph. The commissioner shall specifically report on the adjustments received by
9.28 public hospitals and public hospital corporations located in cities of the first class.

9.29 (b) Certified public expenditures made by Hennepin County Medical Center shall be
9.30 considered Medicaid disproportionate share hospital payments. Hennepin County and
9.31 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning
9.32 July 1, 2005, or another date specified by the commissioner, that may qualify for

10.1 reimbursement under federal law. Based on these reports, the commissioner shall apply for
10.2 federal matching funds.

10.3 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective
10.4 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for
10.5 Medicare and Medicaid Services.

10.6 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid
10.7 in accordance with a new methodology using 2012 as the base year. Annual payments made
10.8 under this paragraph shall equal the total amount of payments made for 2012. A licensed
10.9 children's hospital shall receive only a single DSH factor for children's hospitals. Other
10.10 DSH factors may be combined to arrive at a single factor for each hospital that is eligible
10.11 for DSH payments. The new methodology shall make payments only to hospitals located
10.12 in Minnesota and include the following factors:

10.13 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the
10.14 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000
10.15 fee-for-service discharges in the base year shall receive a factor of 0.7880;

10.16 (2) a hospital that has in effect for the initial rate year a contract with the commissioner
10.17 to provide extended psychiatric inpatient services under section 256.9693 shall receive a
10.18 factor of 0.0160;

10.19 (3) a hospital that has received medical assistance payment for at least 20 transplant
10.20 services in the base year shall receive a factor of 0.0435;

10.21 (4) a hospital that has a medical assistance utilization rate in the base year between 20
10.22 percent up to one standard deviation above the statewide mean utilization rate shall receive
10.23 a factor of 0.0468;

10.24 (5) a hospital that has a medical assistance utilization rate in the base year that is at least
10.25 one standard deviation above the statewide mean utilization rate but is less than two and
10.26 one-half standard deviations above the mean shall receive a factor of 0.2300; and

10.27 (6) a hospital that is a level one trauma center and that has a medical assistance utilization
10.28 rate in the base year that is at least two and ~~one-half~~ one-quarter standard deviations above
10.29 the statewide mean utilization rate shall receive a factor of 0.3711.

10.30 (e) For the purposes of determining eligibility for the disproportionate share hospital
10.31 factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and
10.32 discharge thresholds shall be measured using only one year when a two-year base period
10.33 is used.

11.1 (f) Any payments or portion of payments made to a hospital under this subdivision that
11.2 are subsequently returned to the commissioner because the payments are found to exceed
11.3 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the
11.4 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that
11.5 have a medical assistance utilization rate that is at least one standard deviation above the
11.6 mean.

11.7 (g) An additional payment adjustment shall be established by the commissioner under
11.8 this subdivision for a hospital that provides high levels of administering high-cost drugs to
11.9 enrollees in fee-for-service medical assistance. The commissioner shall consider factors
11.10 including fee-for-service medical assistance utilization rates and payments made for drugs
11.11 purchased through the 340B drug purchasing program and administered to fee-for-service
11.12 enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate
11.13 share hospital limit, the commissioner shall make a payment to the hospital that equals the
11.14 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the
11.15 amount of the payment adjustment under this paragraph shall not exceed \$1,500,000.

11.16 Sec. 6. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

11.17 Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem
11.18 basis.

11.19 (b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated
11.20 by Medicare that does not have admissions in the base year shall have inpatient rates
11.21 established at the average of other hospitals with the same designation. For subsequent
11.22 rate-setting periods in which base years are updated, the hospital's base year shall be the
11.23 first Medicare cost report filed with the long-term hospital designation and shall remain in
11.24 effect until it falls within the same period as other hospitals.

11.25 (c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid
11.26 the higher of a per diem amount computed using the methodology described in subdivision
11.27 2b, paragraph (i), or the per diem rate as of July 1, 2021.

11.28 **EFFECTIVE DATE.** This section is effective July 1, 2023.

11.29 Sec. 7. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to
11.30 read:

11.31 **Subd. 31. Long-acting reversible contraceptives.** (a) The commissioner must provide
11.32 separate reimbursement to hospitals for long-acting reversible contraceptives provided

12.1 immediately postpartum in the inpatient hospital setting. This payment must be in addition
 12.2 to the diagnostic related group reimbursement for labor and delivery and shall be made
 12.3 consistent with section 256B.0625, subdivision 13e, paragraph (e).

12.4 (b) The commissioner must require managed care and county-based purchasing plans
 12.5 to comply with this subdivision when providing services to medical assistance enrollees.
 12.6 If, for any contract year, federal approval is not received for this paragraph, the commissioner
 12.7 must adjust the capitation rates paid to managed care plans and county-based purchasing
 12.8 plans for that contract year to reflect the removal of this provision. Contracts between
 12.9 managed care plans and county-based purchasing plans and providers to whom this paragraph
 12.10 applies must allow recovery of payments from those providers if capitation rates are adjusted
 12.11 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
 12.12 to any increase in rates that results from this provision. This paragraph expires if federal
 12.13 approval is not received for this paragraph at any time.

12.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

12.15 Sec. 8. Minnesota Statutes 2022, section 256B.04, subdivision 14, is amended to read:

12.16 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and
 12.17 feasible, the commissioner may utilize volume purchase through competitive bidding and
 12.18 negotiation under the provisions of chapter 16C, to provide items under the medical assistance
 12.19 program including but not limited to the following:

12.20 (1) eyeglasses;

12.21 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation
 12.22 on a short-term basis, until the vendor can obtain the necessary supply from the contract
 12.23 dealer;

12.24 (3) hearing aids and supplies;

12.25 (4) durable medical equipment, including but not limited to:

12.26 (i) hospital beds;

12.27 (ii) commodes;

12.28 (iii) glide-about chairs;

12.29 (iv) patient lift apparatus;

12.30 (v) wheelchairs and accessories;

12.31 (vi) oxygen administration equipment;

13.1 (vii) respiratory therapy equipment;

13.2 (viii) electronic diagnostic, therapeutic and life-support systems; and

13.3 (ix) allergen-reducing products as described in section 256B.0625, subdivision 67,
13.4 paragraph (c) or (d);

13.5 (5) nonemergency medical transportation level of need determinations, disbursement of
13.6 public transportation passes and tokens, and volunteer and recipient mileage and parking
13.7 reimbursements; ~~and~~

13.8 (6) drugs; and

13.9 (7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).

13.10 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not
13.11 affect contract payments under this subdivision unless specifically identified.

13.12 (c) The commissioner may not utilize volume purchase through competitive bidding
13.13 and negotiation under the provisions of chapter 16C for special transportation services or
13.14 incontinence products and related supplies.

13.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

13.16 Sec. 9. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

13.17 Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may
13.18 be paid for a person under 26 years of age who was in foster care under the commissioner's
13.19 responsibility on the date of attaining 18, 19, or 20 years of age, and who was enrolled in
13.20 medical assistance under the state plan or a waiver of the plan while in foster care, in
13.21 accordance with section 2004 of the Affordable Care Act.

13.22 (b) Medical assistance may be paid for a person under 26 years of age who was in foster
13.23 care and enrolled in any state's Medicaid program as provided by Public Law 115-271,
13.24 section 1002.

13.25 (c) The commissioner shall seek federal waiver approval under United States Code, title
13.26 42, section 1315, to include youth who were in a state's foster care program and who turned
13.27 age 18 prior to January 1, 2023, without regard to potential eligibility under a Medicaid
13.28 mandatory group.

13.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

14.1 Sec. 10. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

14.2 Subd. 8. **Medical assistance payment for assertive community treatment and**
14.3 **intensive residential treatment services.** (a) Payment for intensive residential treatment
14.4 services and assertive community treatment in this section shall be based on one daily rate
14.5 per provider inclusive of the following services received by an eligible client in a given
14.6 calendar day: all rehabilitative services under this section, staff travel time to provide
14.7 rehabilitative services under this section, and nonresidential crisis stabilization services
14.8 under section 256B.0624.

14.9 (b) Except as indicated in paragraph (c), payment will not be made to more than one
14.10 entity for each client for services provided under this section on a given day. If services
14.11 under this section are provided by a team that includes staff from more than one entity, the
14.12 team must determine how to distribute the payment among the members.

14.13 (c) The commissioner shall determine one rate for each provider that will bill medical
14.14 assistance for residential services under this section and one rate for each assertive community
14.15 treatment provider. If a single entity provides both services, one rate is established for the
14.16 entity's residential services and another rate for the entity's nonresidential services under
14.17 this section. A provider is not eligible for payment under this section without authorization
14.18 from the commissioner. The commissioner shall develop rates using the following criteria:

14.19 (1) the provider's cost for services shall include direct services costs, other program
14.20 costs, and other costs determined as follows:

14.21 (i) the direct services costs must be determined using actual costs of salaries, benefits,
14.22 payroll taxes, and training of direct service staff and service-related transportation;

14.23 (ii) other program costs not included in item (i) must be determined as a specified
14.24 percentage of the direct services costs as determined by item (i). The percentage used shall
14.25 be determined by the commissioner based upon the average of percentages that represent
14.26 the relationship of other program costs to direct services costs among the entities that provide
14.27 similar services;

14.28 (iii) physical plant costs calculated based on the percentage of space within the program
14.29 that is entirely devoted to treatment and programming. This does not include administrative
14.30 or residential space;

14.31 (iv) assertive community treatment physical plant costs must be reimbursed as part of
14.32 the costs described in item (ii); and

15.1 (v) subject to federal approval, up to an additional five percent of the total rate may be
15.2 added to the program rate as a quality incentive based upon the entity meeting performance
15.3 criteria specified by the commissioner;

15.4 (2) actual cost is defined as costs which are allowable, allocable, and reasonable, and
15.5 consistent with federal reimbursement requirements under Code of Federal Regulations,
15.6 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
15.7 Budget Circular Number A-122, relating to nonprofit entities;

15.8 (3) the number of service units;

15.9 (4) the degree to which clients will receive services other than services under this section;
15.10 and

15.11 (5) the costs of other services that will be separately reimbursed.

15.12 (d) The rate for intensive residential treatment services and assertive community treatment
15.13 must exclude room and board, as defined in section 256I.03, subdivision 6, and services
15.14 not covered under this section, such as partial hospitalization, home care, and inpatient
15.15 services.

15.16 (e) Physician services that are not separately billed may be included in the rate to the
15.17 extent that a psychiatrist, or other health care professional providing physician services
15.18 within their scope of practice, is a member of the intensive residential treatment services
15.19 treatment team. Physician services, whether billed separately or included in the rate, may
15.20 be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning
15.21 given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth
15.22 is used to provide intensive residential treatment services.

15.23 (f) When services under this section are provided by an assertive community treatment
15.24 provider, case management functions must be an integral part of the team.

15.25 (g) The rate for a provider must not exceed the rate charged by that provider for the
15.26 same service to other payors.

15.27 (h) The rates for existing programs must be established prospectively based upon the
15.28 expenditures and utilization over a prior 12-month period using the criteria established in
15.29 paragraph (c). The rates for new programs must be established based upon estimated
15.30 expenditures and estimated utilization using the criteria established in paragraph (c).

15.31 (i) Effective for the rate years beginning on and after January 1, 2024, rates for assertive
15.32 community treatment, adult residential crisis stabilization services, and intensive residential
15.33 treatment services must be annually adjusted for inflation using the Centers for Medicare

16.1 and Medicaid Services Medicare Economic Index, as forecasted in the fourth quarter of the
 16.2 calendar year before the rate year. The inflation adjustment must be based on the 12-month
 16.3 period from the midpoint of the previous rate year to the midpoint of the rate year for which
 16.4 the rate is being determined.

16.5 ~~(i)~~ (j) Entities who discontinue providing services must be subject to a settle-up process
 16.6 whereby actual costs and reimbursement for the previous 12 months are compared. In the
 16.7 event that the entity was paid more than the entity's actual costs plus any applicable
 16.8 performance-related funding due the provider, the excess payment must be reimbursed to
 16.9 the department. If a provider's revenue is less than actual allowed costs due to lower
 16.10 utilization than projected, the commissioner may reimburse the provider to recover its actual
 16.11 allowable costs. The resulting adjustments by the commissioner must be proportional to the
 16.12 percent of total units of service reimbursed by the commissioner and must reflect a difference
 16.13 of greater than five percent.

16.14 ~~(j)~~ (k) A provider may request of the commissioner a review of any rate-setting decision
 16.15 made under this subdivision.

16.16 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 16.17 whichever is later. The commissioner of human services shall notify the revisor of statutes
 16.18 when federal approval is obtained.

16.19 Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

16.20 Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental
 16.21 services.

16.22 ~~(b) Medical assistance dental coverage for nonpregnant adults is limited to the following~~
 16.23 ~~services:~~

16.24 ~~(1) comprehensive exams, limited to once every five years;~~

16.25 ~~(2) periodic exams, limited to one per year;~~

16.26 ~~(3) limited exams;~~

16.27 ~~(4) bitewing x-rays, limited to one per year;~~

16.28 ~~(5) periapical x-rays;~~

16.29 ~~(6) panoramic x-rays, limited to one every five years except (1) when medically necessary~~
 16.30 ~~for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once~~
 16.31 ~~every two years for patients who cannot cooperate for intraoral film due to a developmental~~
 16.32 ~~disability or medical condition that does not allow for intraoral film placement;~~

- 17.1 ~~(7) prophylaxis, limited to one per year;~~
- 17.2 ~~(8) application of fluoride varnish, limited to one per year;~~
- 17.3 ~~(9) posterior fillings, all at the amalgam rate;~~
- 17.4 ~~(10) anterior fillings;~~
- 17.5 ~~(11) endodontics, limited to root canals on the anterior and premolars only;~~
- 17.6 ~~(12) removable prostheses, each dental arch limited to one every six years;~~
- 17.7 ~~(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;~~
- 17.8 ~~(14) palliative treatment and sedative fillings for relief of pain;~~
- 17.9 ~~(15) full-mouth debridement, limited to one every five years; and~~
- 17.10 ~~(16) nonsurgical treatment for periodontal disease, including scaling and root planing~~
- 17.11 ~~once every two years for each quadrant, and routine periodontal maintenance procedures.~~
- 17.12 ~~(e) In addition to the services specified in paragraph (b), medical assistance covers the~~
- 17.13 ~~following services for adults, if provided in an outpatient hospital setting or freestanding~~
- 17.14 ~~ambulatory surgical center as part of outpatient dental surgery:~~
- 17.15 ~~(1) periodontics, limited to periodontal scaling and root planing once every two years;~~
- 17.16 ~~(2) general anesthesia; and~~
- 17.17 ~~(3) full-mouth survey once every five years.~~
- 17.18 ~~(d) Medical assistance covers medically necessary dental services for children and~~
- 17.19 ~~pregnant women. (b) The following guidelines apply to dental services:~~
- 17.20 (1) posterior fillings are paid at the amalgam rate;
- 17.21 (2) application of sealants are covered once every five years per permanent molar ~~for~~
- 17.22 ~~children only; and~~
- 17.23 (3) application of fluoride varnish is covered once every six months; ~~and.~~
- 17.24 ~~(4) orthodontia is eligible for coverage for children only.~~
- 17.25 ~~(e) (c) In addition to the services specified in paragraphs paragraph (b) and (e), medical~~
- 17.26 ~~assistance covers the following services for adults:~~
- 17.27 (1) house calls or extended care facility calls for on-site delivery of covered services;
- 17.28 (2) behavioral management when additional staff time is required to accommodate
- 17.29 behavioral challenges and sedation is not used;

18.1 (3) oral or IV sedation, if the covered dental service cannot be performed safely without
18.2 it or would otherwise require the service to be performed under general anesthesia in a
18.3 hospital or surgical center; and

18.4 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but
18.5 no more than four times per year.

18.6 ~~(f)~~ (d) The commissioner shall not require prior authorization for the services included
18.7 in paragraph ~~(e)~~ (c), clauses (1) to (3), and shall prohibit managed care and county-based
18.8 purchasing plans from requiring prior authorization for the services included in paragraph
18.9 ~~(e)~~ (c), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

18.10 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
18.11 whichever is later. The commissioner of human services shall notify the revisor of statutes
18.12 when federal approval is obtained.

18.13 Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 13, is amended to read:

18.14 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when
18.15 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed
18.16 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a
18.17 dispensing physician, or by a physician, a physician assistant, or an advanced practice
18.18 registered nurse employed by or under contract with a community health board as defined
18.19 in section 145A.02, subdivision 5, for the purposes of communicable disease control.

18.20 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply;
18.21 unless authorized by the commissioner or as provided in paragraph (h) or the drug appears
18.22 on the 90-day supply list published by the commissioner. The 90-day supply list shall be
18.23 published by the commissioner on the department's website. The commissioner may add
18.24 to, delete from, and otherwise modify the 90-day supply list after providing public notice
18.25 and the opportunity for a 15-day public comment period. The 90-day supply list may include
18.26 cost-effective generic drugs and shall not include controlled substances.

18.27 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical
18.28 ingredient" is defined as a substance that is represented for use in a drug and when used in
18.29 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the
18.30 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle
18.31 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and
18.32 excipients which are included in the medical assistance formulary. Medical assistance covers
18.33 selected active pharmaceutical ingredients and excipients used in compounded prescriptions

19.1 when the compounded combination is specifically approved by the commissioner or when
19.2 a commercially available product:

19.3 (1) is not a therapeutic option for the patient;

19.4 (2) does not exist in the same combination of active ingredients in the same strengths
19.5 as the compounded prescription; and

19.6 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded
19.7 prescription.

19.8 (d) Medical assistance covers the following over-the-counter drugs when prescribed by
19.9 a licensed practitioner or by a licensed pharmacist who meets standards established by the
19.10 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
19.11 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
19.12 with documented vitamin deficiencies, vitamins for children under the age of seven and
19.13 pregnant or nursing women, and any other over-the-counter drug identified by the
19.14 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,
19.15 and cost-effective for the treatment of certain specified chronic diseases, conditions, or
19.16 disorders, and this determination shall not be subject to the requirements of chapter 14. A
19.17 pharmacist may prescribe over-the-counter medications as provided under this paragraph
19.18 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter
19.19 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine
19.20 necessity, provide drug counseling, review drug therapy for potential adverse interactions,
19.21 and make referrals as needed to other health care professionals.

19.22 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
19.23 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
19.24 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
19.25 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
19.26 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
19.27 individuals, medical assistance may cover drugs from the drug classes listed in United States
19.28 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
19.29 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
19.30 not be covered.

19.31 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing
19.32 Program and dispensed by 340B covered entities and ambulatory pharmacies under common
19.33 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired
19.34 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

20.1 (g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal
 20.2 contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section
 20.3 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a
 20.4 licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists
 20.5 used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed
 20.6 pharmacist in accordance with section 151.37, subdivision 16.

20.7 (h) Medical assistance coverage for a prescription contraceptive must provide a 12-month
 20.8 supply for any prescription contraceptive if a 12-month supply is prescribed by the
 20.9 prescribing health care provider. The prescribing health care provider must determine the
 20.10 appropriate duration for which to prescribe the prescription contraceptives, up to 12 months.
 20.11 For purposes of this paragraph, "prescription contraceptive" means any drug or device that
 20.12 requires a prescription and is approved by the Food and Drug Administration to prevent
 20.13 pregnancy. Prescription contraceptive does not include an emergency contraceptive drug
 20.14 approved to prevent pregnancy when administered after sexual contact. For purposes of this
 20.15 paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

20.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.

20.17 Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to
 20.18 read:

20.19 Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations
 20.20 from professional medical associations and professional pharmacy associations, and consumer
 20.21 groups shall designate a Formulary Committee to carry out duties as described in subdivisions
 20.22 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed
 20.23 physicians actively engaged in the practice of medicine in Minnesota, one of whom ~~must~~
 20.24 ~~be actively engaged in the treatment of persons with mental illness~~ is an actively practicing
 20.25 psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one
 20.26 of whom specializes in pediatrics, and one of whom actively treats persons with disabilities;
 20.27 at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota,
 20.28 one of whom practices outside the metropolitan counties listed in section 473.121, subdivision
 20.29 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision
 20.30 4, and one of whom is a practicing hospital pharmacist; and one at least two consumer
 20.31 ~~representative~~ representatives, all of whom must have a personal or professional connection
 20.32 to medical assistance; and one representative designated by the Minnesota Rare Disease
 20.33 Advisory Council established under section 256.4835; the remainder to be made up of health
 20.34 care professionals who are licensed in their field and have recognized knowledge in the

21.1 clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs.
 21.2 Members of the Formulary Committee shall not be employed by the Department of Human
 21.3 Services or have a personal interest in a pharmaceutical company, pharmacy benefits
 21.4 manager, health plan company, or their affiliate organizations, but the committee shall be
 21.5 staffed by an employee of the department who shall serve as an ex officio, nonvoting member
 21.6 of the committee. For the purposes of this subdivision, "personal interest" means that a
 21.7 person owns at least five percent of the voting interest or equity interest in the entity, the
 21.8 equity interest owned by a person represents at least five percent of that person's net worth,
 21.9 or more than five percent of a person's gross income for the preceding year was derived
 21.10 from the entity. A committee member must notify the committee of any potential conflict
 21.11 of interest and recuse themselves from any communications, discussion, or vote on any
 21.12 matter where a conflict of interest exists. A conflict of interest alone, without a personal
 21.13 interest, does not preclude an applicant from serving as a member of the Formulary
 21.14 Committee. Members may be removed from the committee for cause after a recommendation
 21.15 for removal by a majority of the committee membership. For the purposes of this subdivision,
 21.16 "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug
 21.17 class. The department's medical director shall also serve as an ex officio, nonvoting member
 21.18 for the committee. Committee members shall serve three-year terms and may be reappointed
 21.19 twice by the commissioner. The committee members shall vote on a chair and vice chair
 21.20 from among their membership. The chair shall preside over all committee meetings, and
 21.21 the vice chair shall preside over the meetings if the chair is not present. The Formulary
 21.22 Committee shall meet at least ~~twice~~ three times per year. The commissioner may require
 21.23 more frequent Formulary Committee meetings as needed. An honorarium of \$100 per
 21.24 meeting and reimbursement for mileage shall be paid to each committee member in
 21.25 attendance. The Formulary Committee expires June 30, ~~2023~~ 2027. The Formulary
 21.26 Committee is subject to the Open Meeting Law under chapter 13D. For purposes of
 21.27 establishing a quorum to transact business, vacant committee member positions do not count
 21.28 in the calculation as long as at least 60 percent of the committee member positions are filled.

21.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

21.30 Sec. 14. Minnesota Statutes 2022, section 256B.0625, subdivision 13e, is amended to
 21.31 read:

21.32 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
 21.33 be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the
 21.34 usual and customary price charged to the public. The usual and customary price means the
 21.35 lowest price charged by the provider to a patient who pays for the prescription by cash,

22.1 check, or charge account and includes prices the pharmacy charges to a patient enrolled in
22.2 a prescription savings club or prescription discount club administered by the pharmacy or
22.3 pharmacy chain. The amount of payment basis must be reduced to reflect all discount
22.4 amounts applied to the charge by any third-party provider/insurer agreement or contract for
22.5 submitted charges to medical assistance programs. The net submitted charge may not be
22.6 greater than the patient liability for the service. The professional dispensing fee shall be
22.7 \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient
22.8 drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee
22.9 for intravenous solutions that must be compounded by the pharmacist shall be \$10.77 per
22.10 claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs
22.11 meeting the definition of covered outpatient drugs shall be \$10.77 for dispensed quantities
22.12 equal to or greater than the number of units contained in the manufacturer's original package.
22.13 The professional dispensing fee shall be prorated based on the percentage of the package
22.14 dispensed when the pharmacy dispenses a quantity less than the number of units contained
22.15 in the manufacturer's original package. The pharmacy dispensing fee for prescribed
22.16 over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65
22.17 for quantities equal to or greater than the number of units contained in the manufacturer's
22.18 original package and shall be prorated based on the percentage of the package dispensed
22.19 when the pharmacy dispenses a quantity less than the number of units contained in the
22.20 manufacturer's original package. The National Average Drug Acquisition Cost (NADAC)
22.21 shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is
22.22 not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition
22.23 cost minus two percent. The ingredient cost of a drug for a provider participating in the
22.24 federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling
22.25 price established by the Health Resources and Services Administration or NADAC,
22.26 whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price
22.27 for a drug or biological to wholesalers or direct purchasers in the United States, not including
22.28 prompt pay or other discounts, rebates, or reductions in price, for the most recent month for
22.29 which information is available, as reported in wholesale price guides or other publications
22.30 of drug or biological pricing data. The maximum allowable cost of a multisource drug may
22.31 be set by the commissioner and it shall be comparable to the actual acquisition cost of the
22.32 drug product and no higher than the NADAC of the generic product. Establishment of the
22.33 amount of payment for drugs shall not be subject to the requirements of the Administrative
22.34 Procedure Act.

22.35 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
22.36 an automated drug distribution system meeting the requirements of section 151.58, or a

23.1 packaging system meeting the packaging standards set forth in Minnesota Rules, part
23.2 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
23.3 retrospective billing for prescription drugs dispensed to long-term care facility residents. A
23.4 retrospectively billing pharmacy must submit a claim only for the quantity of medication
23.5 used by the enrolled recipient during the defined billing period. A retrospectively billing
23.6 pharmacy must use a billing period not less than one calendar month or 30 days.

23.7 (c) A pharmacy provider using packaging that meets the standards set forth in Minnesota
23.8 Rules, part 6800.2700, is required to credit the department for the actual acquisition cost
23.9 of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective
23.10 billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that
23.11 is less than a 30-day supply.

23.12 (d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC
23.13 of the generic product or the maximum allowable cost established by the commissioner
23.14 unless prior authorization for the brand name product has been granted according to the
23.15 criteria established by the Drug Formulary Committee as required by subdivision 13f,
23.16 paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in
23.17 a manner consistent with section 151.21, subdivision 2.

23.18 (e) The basis for determining the amount of payment for drugs administered in an
23.19 outpatient setting shall be the lower of the usual and customary cost submitted by the
23.20 provider, 106 percent of the average sales price as determined by the United States
23.21 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
23.22 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
23.23 set by the commissioner. If average sales price is unavailable, the amount of payment must
23.24 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition
23.25 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.
23.26 The commissioner shall discount the payment rate for drugs obtained through the federal
23.27 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an
23.28 outpatient setting shall be made to the administering facility or practitioner. A retail or
23.29 specialty pharmacy dispensing a drug for administration in an outpatient setting is not
23.30 eligible for direct reimbursement.

23.31 (f) The commissioner may establish maximum allowable cost rates for specialty pharmacy
23.32 products that are lower than the ingredient cost formulas specified in paragraph (a). The
23.33 commissioner may require individuals enrolled in the health care programs administered
23.34 by the department to obtain specialty pharmacy products from providers with whom the
23.35 commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are

24.1 defined as those used by a small number of recipients or recipients with complex and chronic
24.2 diseases that require expensive and challenging drug regimens. Examples of these conditions
24.3 include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C,
24.4 growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of
24.5 cancer. Specialty pharmaceutical products include injectable and infusion therapies,
24.6 biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that
24.7 require complex care. The commissioner shall consult with the Formulary Committee to
24.8 develop a list of specialty pharmacy products subject to maximum allowable cost
24.9 reimbursement. In consulting with the Formulary Committee in developing this list, the
24.10 commissioner shall take into consideration the population served by specialty pharmacy
24.11 products, the current delivery system and standard of care in the state, and access to care
24.12 issues. The commissioner shall have the discretion to adjust the maximum allowable cost
24.13 to prevent access to care issues.

24.14 (g) Home infusion therapy services provided by home infusion therapy pharmacies must
24.15 be paid at rates according to subdivision 8d.

24.16 (h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey
24.17 for all pharmacies that are physically located in the state of Minnesota that dispense outpatient
24.18 drugs under medical assistance. The commissioner shall ensure that the vendor has prior
24.19 experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the
24.20 department to dispense outpatient prescription drugs to fee-for-service members must
24.21 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
24.22 section 256B.064 for failure to respond. The commissioner shall require the vendor to
24.23 measure a single statewide cost of dispensing for specialty prescription drugs and a single
24.24 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies
24.25 to measure the mean, mean weighted by total prescription volume, mean weighted by
24.26 medical assistance prescription volume, median, median weighted by total prescription
24.27 volume, and median weighted by total medical assistance prescription volume. The
24.28 commissioner shall post a copy of the final cost of dispensing survey report on the
24.29 department's website. The initial survey must be completed no later than January 1, 2021,
24.30 and repeated every three years. The commissioner shall provide a summary of the results
24.31 of each cost of dispensing survey and provide recommendations for any changes to the
24.32 dispensing fee to the chairs and ranking members of the legislative committees with
24.33 jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section
24.34 256.01, subdivision 42, this paragraph does not expire.

25.1 (i) The commissioner shall increase the ingredient cost reimbursement calculated in
25.2 paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to
25.3 the wholesale drug distributor tax under section 295.52.

25.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

25.5 Sec. 15. Minnesota Statutes 2022, section 256B.0625, subdivision 13f, is amended to read:

25.6 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and
25.7 recommend drugs which require prior authorization. The Formulary Committee shall
25.8 establish general criteria to be used for the prior authorization of brand-name drugs for
25.9 which generically equivalent drugs are available, but the committee is not required to review
25.10 each brand-name drug for which a generically equivalent drug is available.

25.11 (b) Prior authorization may be required by the commissioner before certain formulary
25.12 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior
25.13 authorization directly to the commissioner. The commissioner may also request that the
25.14 Formulary Committee review a drug for prior authorization. Before the commissioner may
25.15 require prior authorization for a drug:

25.16 (1) the commissioner must provide information to the Formulary Committee on the
25.17 impact that placing the drug on prior authorization may have on the quality of patient care
25.18 and on program costs, information regarding whether the drug is subject to clinical abuse
25.19 or misuse, and relevant data from the state Medicaid program if such data is available;

25.20 (2) the Formulary Committee must review the drug, taking into account medical and
25.21 clinical data and the information provided by the commissioner; and

25.22 (3) the Formulary Committee must hold a public forum and receive public comment for
25.23 an additional 15 days.

25.24 The commissioner must provide a 15-day notice period before implementing the prior
25.25 authorization.

25.26 (c) Except as provided in subdivision 13j, prior authorization shall not be required or
25.27 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness
25.28 if:

25.29 (1) there is no generically equivalent drug available; and

25.30 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

25.31 (3) the drug is part of the recipient's current course of treatment.

26.1 This paragraph applies to any multistate preferred drug list or supplemental drug rebate
26.2 program established or administered by the commissioner. Prior authorization shall
26.3 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental
26.4 illness within 60 days of when a generically equivalent drug becomes available, provided
26.5 that the brand name drug was part of the recipient's course of treatment at the time the
26.6 generically equivalent drug became available.

26.7 (d) Prior authorization must not be required for liquid methadone if only one version of
26.8 liquid methadone is available. If more than one version of liquid methadone is available,
26.9 the commissioner shall ensure that at least one version of liquid methadone is available
26.10 without prior authorization.

26.11 (e) Prior authorization may be required for an oral liquid form of a drug, except as
26.12 described in paragraph (d). A prior authorization request under this paragraph must be
26.13 automatically approved within 24 hours if the drug is being prescribed for a Food and Drug
26.14 Administration-approved condition for a patient who utilizes an enteral tube for feedings
26.15 or medication administration, even if the patient has current or prior claims for pills for that
26.16 condition. If more than one version of the oral liquid form of a drug is available, the
26.17 commissioner may select the version that is able to be approved for a Food and Drug
26.18 Administration-approved condition for a patient who utilizes an enteral tube for feedings
26.19 or medication administration. This paragraph applies to any multistate preferred drug list
26.20 or supplemental drug rebate program established or administered by the commissioner. The
26.21 commissioner shall design and implement a streamlined prior authorization form for patients
26.22 who utilize an enteral tube for feedings or medication administration and are prescribed an
26.23 oral liquid form of a drug. The commissioner may require prior authorization for brand
26.24 name drugs whenever a generically equivalent product is available, even if the prescriber
26.25 specifically indicates "dispense as written-brand necessary" on the prescription as required
26.26 by section 151.21, subdivision 2.

26.27 ~~(e)~~ (f) Notwithstanding this subdivision, the commissioner may automatically require
26.28 prior authorization, for a period not to exceed 180 days, for any drug that is approved by
26.29 the United States Food and Drug Administration on or after July 1, 2005. The 180-day
26.30 period begins no later than the first day that a drug is available for shipment to pharmacies
26.31 within the state. The Formulary Committee shall recommend to the commissioner general
26.32 criteria to be used for the prior authorization of the drugs, but the committee is not required
26.33 to review each individual drug. In order to continue prior authorizations for a drug after the
26.34 180-day period has expired, the commissioner must follow the provisions of this subdivision.

26.35 ~~(f)~~ (g) Prior authorization under this subdivision shall comply with section 62Q.184.

27.1 ~~(g)~~ (h) Any step therapy protocol requirements established by the commissioner must
27.2 comply with section 62Q.1841.

27.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

27.4 Sec. 16. Minnesota Statutes 2022, section 256B.0625, subdivision 13g, is amended to
27.5 read:

27.6 Subd. 13g. **Preferred drug list.** (a) The commissioner shall adopt and implement a
27.7 preferred drug list by January 1, 2004. The commissioner may enter into a contract with a
27.8 vendor for the purpose of participating in a preferred drug list and supplemental rebate
27.9 program. The terms of the contract with the vendor must be publicly disclosed on the website
27.10 of the Department of Human Services. The commissioner shall ensure that any contract
27.11 meets all federal requirements and maximizes federal financial participation. The
27.12 commissioner shall publish the preferred drug list annually in the State Register and shall
27.13 maintain an accurate and up-to-date list on the agency website. The commissioner shall
27.14 implement and maintain an accurate archive of previous versions of the preferred drug list,
27.15 and make this archive available to the public on the website of the Department of Human
27.16 Services beginning January 1, 2024.

27.17 (b) The commissioner may add to, delete from, and otherwise modify the preferred drug
27.18 list, after consulting with the Formulary Committee and appropriate medical specialists ~~and,~~
27.19 providing public notice and the opportunity for public comment, and complying with the
27.20 requirements of paragraph (f).

27.21 (c) The commissioner shall adopt and administer the preferred drug list as part of the
27.22 administration of the supplemental drug rebate program. Reimbursement for prescription
27.23 drugs not on the preferred drug list may be subject to prior authorization.

27.24 (d) For purposes of this subdivision, the following terms have the meanings given:

27.25 (1) "appropriate medical specialist" means a medical professional who prescribes the
27.26 relevant class of drug as part of their practice; and

27.27 (2) "preferred drug list" means a list of prescription drugs within designated therapeutic
27.28 classes selected by the commissioner, for which prior authorization based on the identity
27.29 of the drug or class is not required.

27.30 (e) The commissioner shall seek any federal waivers or approvals necessary to implement
27.31 this subdivision.

28.1 (f) ~~Notwithstanding paragraph (b),~~ Before the commissioner may delete a drug from the
28.2 preferred drug list or modify the inclusion of a drug on the preferred drug list, the
28.3 commissioner shall consider any implications that the deletion or modification may have
28.4 on state public health policies or initiatives and any impact that the deletion or modification
28.5 may have on increasing health disparities in the state. Prior to deleting a drug or modifying
28.6 the inclusion of a drug, the commissioner shall also conduct a public hearing. The
28.7 commissioner shall provide adequate notice to the public and the commissioner of health
28.8 prior to the hearing that specifies the drug that the commissioner is proposing to delete or
28.9 modify, and shall disclose any public medical or clinical analysis that the commissioner
28.10 has relied on in proposing the deletion or modification, and evidence that the commissioner
28.11 has evaluated the impact of the proposed deletion or modification on public health and
28.12 health disparities. Notwithstanding section 331A.05, a public notice of a Formulary
28.13 Committee meeting must be published at least 30 days in advance of the meeting. The list
28.14 of drugs to be discussed at the meeting must be announced at least 30 days before the meeting
28.15 and must include the name and class of drug, the proposed action, and the proposed prior
28.16 authorization requirements, if applicable.

28.17 Sec. 17. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
28.18 to read:

28.19 Subd. 13k. **Value-based purchasing arrangements.** (a) The commissioner may enter
28.20 into a value-based purchasing arrangement under medical assistance or MinnesotaCare, by
28.21 written arrangement with a drug manufacturer based on agreed-upon metrics. The
28.22 commissioner may contract with a vendor to implement and administer the value-based
28.23 purchasing arrangement. A value-based purchasing arrangement may include but is not
28.24 limited to rebates, discounts, price reductions, risk sharing, reimbursements, guarantees,
28.25 shared savings payments, withholds, or bonuses. A value-based purchasing arrangement
28.26 must provide at least the same value or discount in the aggregate as would claiming the
28.27 mandatory federal drug rebate under the Federal Social Security Act, section 1927.

28.28 (b) Nothing in this section shall be interpreted as requiring a drug manufacturer or the
28.29 commissioner to enter into an arrangement as described in paragraph (a).

28.30 (c) Nothing in this section shall be interpreted as altering or modifying medical assistance
28.31 coverage requirements under the federal Social Security Act, section 1927.

28.32 (d) If the commissioner determines that a state plan amendment is necessary before
28.33 implementing a value-based purchasing arrangement, the commissioner shall request the
28.34 amendment and may delay implementing this provision until the amendment is approved.

29.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

29.2 Sec. 18. Minnesota Statutes 2022, section 256B.0625, subdivision 16, is amended to read:

29.3 Subd. 16. **Abortion services.** Medical assistance covers abortion services, ~~but only if~~
 29.4 ~~one of the following conditions is met:~~ determined to be medically necessary by the treating
 29.5 provider and delivered in accordance with all applicable Minnesota laws.

29.6 ~~(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written~~
 29.7 ~~statement of two physicians indicating the abortion is medically necessary to prevent the~~
 29.8 ~~death of the mother, and (2) the patient has given her consent to the abortion in writing~~
 29.9 ~~unless the patient is physically or legally incapable of providing informed consent to the~~
 29.10 ~~procedure, in which case consent will be given as otherwise provided by law;~~

29.11 ~~(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342,~~
 29.12 ~~subdivision 1, clauses (a), (b), (c)(i) and (ii), and (c), and subdivision 1a, clauses (a), (b),~~
 29.13 ~~(c)(i) and (ii), and (d), and the incident is reported within 48 hours after the incident occurs~~
 29.14 ~~to a valid law enforcement agency for investigation, unless the victim is physically unable~~
 29.15 ~~to report the criminal sexual conduct, in which case the report shall be made within 48 hours~~
 29.16 ~~after the victim becomes physically able to report the criminal sexual conduct; or~~

29.17 ~~(c) The pregnancy is the result of incest, but only if the incident and relative are reported~~
 29.18 ~~to a valid law enforcement agency for investigation prior to the abortion.~~

29.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.20 Sec. 19. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to
 29.21 read:

29.22 Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a
 29.23 certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For
 29.24 purposes of this section, "doula services" means childbirth education and support services,
 29.25 including emotional and physical support provided during pregnancy, labor, birth, and
 29.26 postpartum. The commissioner shall enroll doula agencies and individual treating doulas
 29.27 to provide direct reimbursement.

29.28 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 29.29 whichever is later. The commissioner of human services shall notify the revisor of statutes
 29.30 when federal approval is obtained.

30.1 Sec. 20. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

30.2 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services,
30.3 federally qualified health center services, nonprofit community health clinic services, and
30.4 public health clinic services. Rural health clinic services and federally qualified health center
30.5 services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and
30.6 (C). Payment for rural health clinic and federally qualified health center services shall be
30.7 made according to applicable federal law and regulation.

30.8 (b) A federally qualified health center (FQHC) that is beginning initial operation shall
30.9 submit an estimate of budgeted costs and visits for the initial reporting period in the form
30.10 and detail required by the commissioner. An FQHC that is already in operation shall submit
30.11 an initial report using actual costs and visits for the initial reporting period. Within 90 days
30.12 of the end of its reporting period, an FQHC shall submit, in the form and detail required by
30.13 the commissioner, a report of its operations, including allowable costs actually incurred for
30.14 the period and the actual number of visits for services furnished during the period, and other
30.15 information required by the commissioner. FQHCs that file Medicare cost reports shall
30.16 provide the commissioner with a copy of the most recent Medicare cost report filed with
30.17 the Medicare program intermediary for the reporting year which support the costs claimed
30.18 on their cost report to the state.

30.19 (c) In order to continue cost-based payment under the medical assistance program
30.20 according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation
30.21 as an essential community provider within six months of final adoption of rules by the
30.22 Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and
30.23 rural health clinics that have applied for essential community provider status within the
30.24 six-month time prescribed, medical assistance payments will continue to be made according
30.25 to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural
30.26 health clinics that either do not apply within the time specified above or who have had
30.27 essential community provider status for three years, medical assistance payments for health
30.28 services provided by these entities shall be according to the same rates and conditions
30.29 applicable to the same service provided by health care providers that are not FQHCs or rural
30.30 health clinics.

30.31 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural
30.32 health clinic to make application for an essential community provider designation in order
30.33 to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

31.1 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall
31.2 be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

31.3 (f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health
31.4 clinic may elect to be paid either under the prospective payment system established in United
31.5 States Code, title 42, section 1396a(aa), or under an alternative payment methodology
31.6 consistent with the requirements of United States Code, title 42, section 1396a(aa), and
31.7 approved by the Centers for Medicare and Medicaid Services. The alternative payment
31.8 methodology shall be 100 percent of cost as determined according to Medicare cost
31.9 principles.

31.10 (g) Effective for services provided on or after January 1, 2021, all claims for payment
31.11 of clinic services provided by FQHCs and rural health clinics shall be paid by the
31.12 commissioner, according to an annual election by the FQHC or rural health clinic, under
31.13 the current prospective payment system described in paragraph (f) or the alternative payment
31.14 methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also
31.15 urban Indian organizations under Title V of the federal Indian Health Improvement Act, as
31.16 provided under paragraph (k).

31.17 (h) For purposes of this section, "nonprofit community clinic" is a clinic that:

31.18 (1) has nonprofit status as specified in chapter 317A;

31.19 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

31.20 (3) is established to provide health services to low-income population groups, uninsured,
31.21 high-risk and special needs populations, underserved and other special needs populations;

31.22 (4) employs professional staff at least one-half of which are familiar with the cultural
31.23 background of their clients;

31.24 (5) charges for services on a sliding fee scale designed to provide assistance to
31.25 low-income clients based on current poverty income guidelines and family size; and

31.26 (6) does not restrict access or services because of a client's financial limitations or public
31.27 assistance status and provides no-cost care as needed.

31.28 (i) Effective for services provided on or after January 1, 2015, all claims for payment
31.29 of clinic services provided by FQHCs and rural health clinics shall be paid by the
31.30 commissioner. the commissioner shall determine the most feasible method for paying claims
31.31 from the following options:

32.1 (1) FQHCs and rural health clinics submit claims directly to the commissioner for
 32.2 payment, and the commissioner provides claims information for recipients enrolled in a
 32.3 managed care or county-based purchasing plan to the plan, on a regular basis; or

32.4 (2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed
 32.5 care or county-based purchasing plan to the plan, and those claims are submitted by the
 32.6 plan to the commissioner for payment to the clinic.

32.7 (j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate
 32.8 and pay monthly the proposed managed care supplemental payments to clinics, and clinics
 32.9 shall conduct a timely review of the payment calculation data in order to finalize all
 32.10 supplemental payments in accordance with federal law. Any issues arising from a clinic's
 32.11 review must be reported to the commissioner by January 1, 2017. Upon final agreement
 32.12 between the commissioner and a clinic on issues identified under this subdivision, and in
 32.13 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments
 32.14 for managed care plan or county-based purchasing plan claims for services provided prior
 32.15 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are
 32.16 unable to resolve issues under this subdivision, the parties shall submit the dispute to the
 32.17 arbitration process under section 14.57.

32.18 ~~(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the~~
 32.19 ~~Social Security Act, to obtain federal financial participation at the 100 percent federal~~
 32.20 ~~matching percentage available to facilities of the Indian Health Service or tribal organization~~
 32.21 ~~in accordance with section 1905(b) of the Social Security Act for expenditures made to~~
 32.22 ~~organizations dually certified under Title V of the Indian Health Care Improvement Act,~~
 32.23 ~~Public Law 94-437, and as a federally qualified health center under paragraph (a) that~~
 32.24 ~~provides services to American Indian and Alaskan Native individuals eligible for services~~
 32.25 ~~under this subdivision.~~

32.26 (k) The commissioner shall establish an encounter payment rate that is equivalent to the
 32.27 all inclusive rate (AIR) payment established by the Indian Health Service and published in
 32.28 the Federal Register. The encounter rate must be updated annually and must reflect the
 32.29 changes in the AIR established by the Indian Health Service each calendar year. FQHCs
 32.30 that are also urban Indian organizations under Title V of the federal Indian Health
 32.31 Improvement Act may elect to be paid: (1) at the encounter rate established under this
 32.32 paragraph; (2) under the alternative payment methodology described in paragraph (l); or
 32.33 (3) under the federally required prospective payment system described in paragraph (f).
 32.34 FQHCs that elect to be paid at the encounter rate established under this paragraph must

33.1 continue to meet all state and federal requirements related to FQHCs and urban Indian
33.2 organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

33.3 (l) All claims for payment of clinic services provided by FQHCs and rural health clinics,
33.4 that have elected to be paid under this paragraph, shall be paid by the commissioner according
33.5 to the following requirements:

33.6 (1) the commissioner shall establish a single medical and single dental organization
33.7 encounter rate for each FQHC and rural health clinic when applicable;

33.8 (2) each FQHC and rural health clinic is eligible for same day reimbursement of one
33.9 medical and one dental organization encounter rate if eligible medical and dental visits are
33.10 provided on the same day;

33.11 (3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance
33.12 with current applicable Medicare cost principles, their allowable costs, including direct
33.13 patient care costs and patient-related support services. Nonallowable costs include, but are
33.14 not limited to:

33.15 (i) general social services and administrative costs;

33.16 (ii) retail pharmacy;

33.17 (iii) patient incentives, food, housing assistance, and utility assistance;

33.18 (iv) external lab and x-ray;

33.19 (v) navigation services;

33.20 (vi) health care taxes;

33.21 (vii) advertising, public relations, and marketing;

33.22 (viii) office entertainment costs, food, alcohol, and gifts;

33.23 (ix) contributions and donations;

33.24 (x) bad debts or losses on awards or contracts;

33.25 (xi) fines, penalties, damages, or other settlements;

33.26 (xii) fundraising, investment management, and associated administrative costs;

33.27 (xiii) research and associated administrative costs;

33.28 (xiv) nonpaid workers;

33.29 (xv) lobbying;

34.1 (xvi) scholarships and student aid; and

34.2 (xvii) nonmedical assistance covered services;

34.3 (4) the commissioner shall review the list of nonallowable costs in the years between
34.4 the rebasing process established in clause (5), in consultation with the Minnesota Association
34.5 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall
34.6 publish the list and any updates in the Minnesota health care programs provider manual;

34.7 (5) the initial applicable base year organization encounter rates for FQHCs and rural
34.8 health clinics shall be computed for services delivered on or after January 1, 2021, and:

34.9 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports
34.10 from 2017 and 2018;

34.11 (ii) must be according to current applicable Medicare cost principles as applicable to
34.12 FQHCs and rural health clinics without the application of productivity screens and upper
34.13 payment limits or the Medicare prospective payment system FQHC aggregate mean upper
34.14 payment limit;

34.15 (iii) must be subsequently rebased every two years thereafter using the Medicare cost
34.16 reports that are three and four years prior to the rebasing year. Years in which organizational
34.17 cost or claims volume is reduced or altered due to a pandemic, disease, or other public health
34.18 emergency shall not be used as part of a base year when the base year includes more than
34.19 one year. The commissioner may use the Medicare cost reports of a year unaffected by a
34.20 pandemic, disease, or other public health emergency, or previous two consecutive years,
34.21 inflated to the base year as established under item (iv);

34.22 (iv) must be inflated to the base year using the inflation factor described in clause (6);
34.23 and

34.24 (v) the commissioner must provide for a 60-day appeals process under section 14.57;

34.25 (6) the commissioner shall annually inflate the applicable organization encounter rates
34.26 for FQHCs and rural health clinics from the base year payment rate to the effective date by
34.27 using the CMS FQHC Market Basket inflator established under United States Code, title
34.28 42, section 1395m(o), less productivity;

34.29 (7) FQHCs and rural health clinics that have elected the alternative payment methodology
34.30 under this paragraph shall submit all necessary documentation required by the commissioner
34.31 to compute the rebased organization encounter rates no later than six months following the
34.32 date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid
34.33 Services;

35.1 (8) the commissioner shall reimburse FQHCs and rural health clinics an additional
35.2 amount relative to their medical and dental organization encounter rates that is attributable
35.3 to the tax required to be paid according to section 295.52, if applicable;

35.4 (9) FQHCs and rural health clinics may submit change of scope requests to the
35.5 commissioner if the change of scope would result in an increase or decrease of 2.5 percent
35.6 or higher in the medical or dental organization encounter rate currently received by the
35.7 FQHC or rural health clinic;

35.8 (10) for FQHCs and rural health clinics seeking a change in scope with the commissioner
35.9 under clause (9) that requires the approval of the scope change by the federal Health
35.10 Resources Services Administration:

35.11 (i) FQHCs and rural health clinics shall submit the change of scope request, including
35.12 the start date of services, to the commissioner within seven business days of submission of
35.13 the scope change to the federal Health Resources Services Administration;

35.14 (ii) the commissioner shall establish the effective date of the payment change as the
35.15 federal Health Resources Services Administration date of approval of the FQHC's or rural
35.16 health clinic's scope change request, or the effective start date of services, whichever is
35.17 later; and

35.18 (iii) within 45 days of one year after the effective date established in item (ii), the
35.19 commissioner shall conduct a retroactive review to determine if the actual costs established
35.20 under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in
35.21 the medical or dental organization encounter rate, and if this is the case, the commissioner
35.22 shall revise the rate accordingly and shall adjust payments retrospectively to the effective
35.23 date established in item (ii);

35.24 (11) for change of scope requests that do not require federal Health Resources Services
35.25 Administration approval, the FQHC and rural health clinic shall submit the request to the
35.26 commissioner before implementing the change, and the effective date of the change is the
35.27 date the commissioner received the FQHC's or rural health clinic's request, or the effective
35.28 start date of the service, whichever is later. The commissioner shall provide a response to
35.29 the FQHC's or rural health clinic's request within 45 days of submission and provide a final
35.30 approval within 120 days of submission. This timeline may be waived at the mutual
35.31 agreement of the commissioner and the FQHC or rural health clinic if more information is
35.32 needed to evaluate the request;

35.33 (12) the commissioner, when establishing organization encounter rates for new FQHCs
35.34 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural

36.1 health clinics in a 60-mile radius for organizations established outside of the seven-county
36.2 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan
36.3 area. If this information is not available, the commissioner may use Medicare cost reports
36.4 or audited financial statements to establish base rates;

36.5 (13) the commissioner shall establish a quality measures workgroup that includes
36.6 representatives from the Minnesota Association of Community Health Centers, FQHCs,
36.7 and rural health clinics, to evaluate clinical and nonclinical measures; and

36.8 (14) the commissioner shall not disallow or reduce costs that are related to an FQHC's
36.9 or rural health clinic's participation in health care educational programs to the extent that
36.10 the costs are not accounted for in the alternative payment methodology encounter rate
36.11 established in this paragraph.

36.12 (m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health
36.13 center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC.
36.14 Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to
36.15 a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to
36.16 comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish
36.17 an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses
36.18 the same method and rates applicable to a Tribal facility or health center that does not enroll
36.19 as a Tribal FQHC.

36.20 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
36.21 whichever is later, except that paragraph (m) is effective July 1, 2023, or upon federal
36.22 approval, whichever is later. The commissioner of human services shall notify the revisor
36.23 of statutes when federal approval is obtained.

36.24 Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

36.25 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical
36.26 supplies and equipment. Separate payment outside of the facility's payment rate shall be
36.27 made for wheelchairs and wheelchair accessories for recipients who are residents of
36.28 intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs
36.29 and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions
36.30 and limitations as coverage for recipients who do not reside in institutions. A wheelchair
36.31 purchased outside of the facility's payment rate is the property of the recipient.

36.32 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies
36.33 must enroll as a Medicare provider.

37.1 (c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics,
37.2 or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment
37.3 requirement if:

37.4 (1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic,
37.5 or medical supply;

37.6 (2) the vendor serves ten or fewer medical assistance recipients per year;

37.7 (3) the commissioner finds that other vendors are not available to provide same or similar
37.8 durable medical equipment, prosthetics, orthotics, or medical supplies; and

37.9 (4) the vendor complies with all screening requirements in this chapter and Code of
37.10 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from
37.11 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare
37.12 and Medicaid Services approved national accreditation organization as complying with the
37.13 Medicare program's supplier and quality standards and the vendor serves primarily pediatric
37.14 patients.

37.15 (d) Durable medical equipment means a device or equipment that:

37.16 (1) can withstand repeated use;

37.17 (2) is generally not useful in the absence of an illness, injury, or disability; and

37.18 (3) is provided to correct or accommodate a physiological disorder or physical condition
37.19 or is generally used primarily for a medical purpose.

37.20 (e) Electronic tablets may be considered durable medical equipment if the electronic
37.21 tablet will be used as an augmentative and alternative communication system as defined
37.22 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must
37.23 be locked in order to prevent use not related to communication.

37.24 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be
37.25 locked to prevent use not as an augmentative communication device, a recipient of waiver
37.26 services may use an electronic tablet for a use not related to communication when the
37.27 recipient has been authorized under the waiver to receive one or more additional applications
37.28 that can be loaded onto the electronic tablet, such that allowing the additional use prevents
37.29 the purchase of a separate electronic tablet with waiver funds.

37.30 (g) An order or prescription for medical supplies, equipment, or appliances must meet
37.31 the requirements in Code of Federal Regulations, title 42, part 440.70.

38.1 (h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or
38.2 (d), shall be considered durable medical equipment.

38.3 (i) Seizure detection devices are covered as durable medical equipment under this
38.4 subdivision if:

38.5 (1) the seizure detection device is medically appropriate based on the recipient's medical
38.6 condition or status; and

38.7 (2) the recipient's health care provider has identified that a seizure detection device
38.8 would:

38.9 (i) likely assist in reducing bodily harm to or death of the recipient as a result of the
38.10 recipient experiencing a seizure; or

38.11 (ii) provide data to the health care provider necessary to appropriately diagnose or treat
38.12 a health condition of the recipient that causes the seizure activity.

38.13 (j) For purposes of paragraph (i), "seizure detection device" means a United States Food
38.14 and Drug Administration-approved monitoring device and related service or subscription
38.15 supporting the prescribed use of the device, including technology that provides ongoing
38.16 patient monitoring and alert services that detect seizure activity and transmit notification
38.17 of the seizure activity to a caregiver for appropriate medical response or collects data of the
38.18 seizure activity of the recipient that can be used by a health care provider to diagnose or
38.19 appropriately treat a health care condition that causes the seizure activity. The medical
38.20 assistance reimbursement rate for a subscription supporting the prescribed use of a seizure
38.21 detection device is 60 percent of the rate for monthly remote monitoring under the medical
38.22 assistance telemonitoring benefit.

38.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
38.24 whichever is later. The commissioner of human services shall notify the revisor of statutes
38.25 when federal approval is obtained.

38.26 Sec. 22. Minnesota Statutes 2022, section 256B.0625, subdivision 34, is amended to read:

38.27 Subd. 34. **Indian health services facilities.** (a) Medical assistance payments and
38.28 MinnesotaCare payments to facilities of the Indian health service and facilities operated by
38.29 a Tribe or Tribal organization under funding authorized by United States Code, title 25,
38.30 sections 450f to 450n, or title III of the Indian Self-Determination and Education Assistance
38.31 Act, Public Law 93-638, for enrollees who are eligible for federal financial participation,
38.32 shall be at the option of the facility in accordance with the rate published by the United
38.33 States Assistant Secretary for Health under the authority of United States Code, title 42,

39.1 sections 248(a) and 249(b). MinnesotaCare payments for enrollees who are not eligible for
 39.2 federal financial participation at facilities of the Indian health service and facilities operated
 39.3 by a Tribe or Tribal organization for the provision of outpatient medical services must be
 39.4 in accordance with the medical assistance rates paid for the same services when provided
 39.5 in a facility other than a facility of the Indian health service or a facility operated by a Tribe
 39.6 or Tribal organization.

39.7 ~~(b) Effective upon federal approval, the medical assistance payments to a dually certified~~
 39.8 ~~facility as defined in subdivision 30, paragraph (j), shall be the encounter rate described in~~
 39.9 ~~paragraph (a) or a rate that is substantially equivalent for services provided to American~~
 39.10 ~~Indians and Alaskan Native populations. The rate established under this paragraph for dually~~
 39.11 ~~certified facilities shall not apply to MinnesotaCare payments.~~

39.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

39.13 Sec. 23. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
 39.14 to read:

39.15 **Subd. 68. Tobacco and nicotine cessation.** (a) Medical assistance covers tobacco and
 39.16 nicotine cessation services, drugs to treat tobacco and nicotine addiction or dependence,
 39.17 and drugs to help individuals discontinue use of tobacco and nicotine products. Medical
 39.18 assistance must cover services and drugs as provided in this subdivision consistent with
 39.19 evidence-based or evidence-informed best practices.

39.20 (b) Medical assistance must cover in-person individual and group tobacco and nicotine
 39.21 cessation education and counseling services if provided by a health care practitioner whose
 39.22 scope of practice encompasses tobacco and nicotine cessation education and counseling.
 39.23 Service providers include but are not limited to the following:

- 39.24 (1) mental health practitioners under section 245.462, subdivision 17;
 39.25 (2) mental health professionals under section 245.462, subdivision 18;
 39.26 (3) mental health certified peer specialists under section 256B.0615;
 39.27 (4) alcohol and drug counselors licensed under chapter 148F;
 39.28 (5) recovery peers as defined in section 245F.02, subdivision 21;
 39.29 (6) certified tobacco treatment specialists;
 39.30 (7) community health workers;
 39.31 (8) physicians;

40.1 (9) physician assistants;

40.2 (10) advanced practice registered nurses; or

40.3 (11) other licensed or nonlicensed professionals or paraprofessionals with training in
40.4 providing tobacco and nicotine cessation education and counseling services.

40.5 (c) Medical assistance covers telephone cessation counseling services provided through
40.6 a quitline. Notwithstanding section 256B.0625, subdivision 3b, quitline services may be
40.7 provided through audio-only communications. The commissioner of human services may
40.8 utilize volume purchasing for quitline services consistent with section 256B.04, subdivision
40.9 14.

40.10 (d) Medical assistance must cover all prescription and over-the-counter pharmacotherapy
40.11 drugs approved by the United States Food and Drug Administration for cessation of tobacco
40.12 and nicotine use or treatment of tobacco and nicotine dependence, and that are subject to a
40.13 Medicaid drug rebate agreement.

40.14 (e) Services covered under this subdivision may be provided by telemedicine.

40.15 (f) The commissioner must not:

40.16 (1) restrict or limit the type, duration, or frequency of tobacco and nicotine cessation
40.17 services;

40.18 (2) prohibit the simultaneous use of multiple cessation services, including but not limited
40.19 to simultaneous use of counseling and drugs;

40.20 (3) require counseling before receiving drugs or as a condition of receiving drugs;

40.21 (4) limit pharmacotherapy drug dosage amounts for a dosing regimen for treatment of
40.22 a medically accepted indication as defined in United States Code, title 14, section
40.23 1396r-8(K)(6); limit dosing frequency; or impose duration limits;

40.24 (5) prohibit simultaneous use of multiple drugs, including prescription and
40.25 over-the-counter drugs;

40.26 (6) require or authorize step therapy; or

40.27 (7) require or utilize prior authorization for any tobacco and nicotine cessation services
40.28 and drugs covered under this subdivision.

40.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

41.1 Sec. 24. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
41.2 to read:

41.3 Subd. 69. **Biomarker testing.** Medical assistance covers biomarker testing to diagnose,
41.4 treat, manage, and monitor illness or disease. Medical assistance coverage must meet the
41.5 requirements that would otherwise apply to a health plan under section 62Q.473.

41.6 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
41.7 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.8 when federal approval is obtained.

41.9 Sec. 25. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
41.10 to read:

41.11 Subd. 70. **Recuperative care services.** Medical assistance covers recuperative care
41.12 services according to section 256B.0701.

41.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

41.14 Sec. 26. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision
41.15 to read:

41.16 Subd. 71. **Coverage of services for the diagnosis, monitoring, and treatment of rare**
41.17 **diseases.** (a) Medical assistance covers services related to the diagnosis, monitoring, and
41.18 treatment of a rare disease or condition. Medical assistance coverage for these services must
41.19 meet the requirements in section 62Q.451, subdivisions 1 to 3 and 6. Providers must still
41.20 meet all applicable program requirements.

41.21 (b) Coverage for a service must not be denied solely on the basis that it was provided
41.22 by, referred for, or ordered by an out-of-network provider.

41.23 (c) Any prior authorization requirements for a service that is provided by, referred for,
41.24 or ordered by an out-of-network provider must be the same as any prior authorization
41.25 requirements for a service that is provided by, referred for, or ordered by an in-network
41.26 provider.

41.27 (d) Nothing in this subdivision requires medical assistance to cover additional services.

41.28 **EFFECTIVE DATE.** This section is effective January 1, 2024.

42.1 Sec. 27. **[256B.0701] RECUPERATIVE CARE SERVICES.**

42.2 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
42.3 the meanings given.

42.4 (b) "Provider" means a recuperative care provider as defined by the standards established
42.5 by the National Institute for Medical Respite Care.

42.6 (c) "Recuperative care" means a model of care that prevents hospitalization or that
42.7 provides postacute medical care and support services for recipients experiencing
42.8 homelessness who are too ill or frail to recover from a physical illness or injury while living
42.9 in a shelter or are otherwise unhoused but who are not sick enough to be hospitalized or
42.10 remain hospitalized, or to need other levels of care.

42.11 **Subd. 2. Recuperative care settings.** Recuperative care may be provided in any setting,
42.12 including but not limited to homeless shelters, congregate care settings, single room
42.13 occupancy settings, or supportive housing, so long as the provider of recuperative care or
42.14 provider of housing is able to provide to the recipient within the designated setting, at a
42.15 minimum:

42.16 (1) 24-hour access to a bed and bathroom;

42.17 (2) access to three meals a day;

42.18 (3) availability to environmental services;

42.19 (4) access to a telephone;

42.20 (5) a secure place to store belongings; and

42.21 (6) staff available within the setting to provide a wellness check as needed, but at a
42.22 minimum, at least once every 24 hours.

42.23 **Subd. 3. Eligibility.** To be eligible for recuperative care service, a recipient must:

42.24 (1) not be a child;

42.25 (2) be experiencing homelessness;

42.26 (3) be in need of short-term acute medical care for a period of no more than 60 days;

42.27 (4) meet clinical criteria, as established by the commissioner, that indicates that the
42.28 recipient needs recuperative care; and

42.29 (5) not have behavioral health needs that are greater than what can be managed by the
42.30 provider within the setting.

43.1 Subd. 4. Total payment rates. Total payment rates for recuperative care consist of the
43.2 recuperative care services rate and the recuperative care facility rate.

43.3 Subd. 5. Recuperative care services rate. The recuperative care services rate is for the
43.4 services provided to the recipient and must be a bundled daily per diem payment of at least
43.5 \$300 per day. Services provided within the bundled payment may include but are not limited
43.6 to:

43.7 (1) basic nursing care, including:

43.8 (i) monitoring a patient's physical health and pain level;

43.9 (ii) providing wound care;

43.10 (iii) medication support;

43.11 (iv) patient education;

43.12 (v) immunization review and update; and

43.13 (vi) establishing clinical goals for the recuperative care period and discharge plan;

43.14 (2) care coordination, including:

43.15 (i) initial assessment of medical, behavioral, and social needs;

43.16 (ii) development of a care plan;

43.17 (iii) support and referral assistance for legal services, housing, community social services,
43.18 case management, health care benefits, health and other eligible benefits, and transportation
43.19 needs and services; and

43.20 (iv) monitoring and follow-up to ensure that the care plan is effectively implemented to
43.21 address the medical, behavioral, and social needs;

43.22 (3) basic behavioral needs, including counseling and peer support, that can be provided
43.23 in the recuperative care setting; and

43.24 (4) services provided by a community health worker as defined under section 256B.0625,
43.25 subdivision 49.

43.26 Subd. 6. Recuperative care facility rate. (a) The recuperative care facility rate is for
43.27 facility costs and must be paid from state money in an amount equal to the medical assistance
43.28 room and board rate at the time the recuperative care services were provided. The eligibility
43.29 standards in chapter 256I do not apply to the recuperative care facility rate. The recuperative
43.30 care facility rate is only paid when the recuperative care services rate is paid to a provider.
43.31 Providers may opt to only receive the recuperative care services rate.

44.1 (b) Before a recipient is discharged from a recuperative care setting, the provider must
 44.2 ensure that the recipient's medical condition is stabilized or that the recipient is being
 44.3 discharged to a setting that is able to meet that recipient's needs.

44.4 Subd. 7. **Extended stay.** If a recipient requires care exceeding the 60-day limit described
 44.5 in subdivision 3, the provider may request in a format prescribed by the commissioner an
 44.6 extension to continue payments until the recipient is discharged.

44.7 Subd. 8. **Report.** (a) The commissioner must submit an initial report on coverage of
 44.8 recuperative care services to the chairs and ranking minority members of the legislative
 44.9 committees having jurisdiction over health and human services finance and policy by
 44.10 February 1, 2025, and a final report by February 1, 2027. The reports must include but are
 44.11 not limited to:

44.12 (1) a list of the recuperative care services in Minnesota and the number of recipients;

44.13 (2) the estimated return on investment, including health care savings due to reduced
 44.14 hospitalizations;

44.15 (3) follow-up information, if available, on whether recipients' hospital visits decreased
 44.16 since recuperative care services were provided compared to before the services were
 44.17 provided; and

44.18 (4) any other information that can be used to determine the effectiveness of the program
 44.19 and its funding, including recommendations for improvements to the program.

44.20 (b) This subdivision expires upon submission of the final report.

44.21 **EFFECTIVE DATE.** This section is effective January 1, 2024.

44.22 Sec. 28. Minnesota Statutes 2022, section 256B.0941, subdivision 3, is amended to read:

44.23 Subd. 3. **Per diem rate.** (a) The commissioner must establish one per diem rate per
 44.24 provider for psychiatric residential treatment facility services for individuals 21 years of
 44.25 age or younger. The rate for a provider must not exceed the rate charged by that provider
 44.26 for the same service to other payers. Payment must not be made to more than one entity for
 44.27 each individual for services provided under this section on a given day. The commissioner
 44.28 must set rates prospectively for the annual rate period. The commissioner must require
 44.29 providers to submit annual cost reports on a uniform cost reporting form and must use
 44.30 submitted cost reports to inform the rate-setting process. The cost reporting must be done
 44.31 according to federal requirements for Medicare cost reports.

44.32 (b) The following are included in the rate:

45.1 (1) costs necessary for licensure and accreditation, meeting all staffing standards for
45.2 participation, meeting all service standards for participation, meeting all requirements for
45.3 active treatment, maintaining medical records, conducting utilization review, meeting
45.4 inspection of care, and discharge planning. The direct services costs must be determined
45.5 using the actual cost of salaries, benefits, payroll taxes, and training of direct services staff
45.6 and service-related transportation; and

45.7 (2) payment for room and board provided by facilities meeting all accreditation and
45.8 licensing requirements for participation.

45.9 (c) A facility may submit a claim for payment outside of the per diem for professional
45.10 services arranged by and provided at the facility by an appropriately licensed professional
45.11 who is enrolled as a provider with Minnesota health care programs. Arranged services may
45.12 be billed by either the facility or the licensed professional. These services must be included
45.13 in the individual plan of care and are subject to prior authorization.

45.14 (d) Medicaid must reimburse for concurrent services as approved by the commissioner
45.15 to support continuity of care and successful discharge from the facility. "Concurrent services"
45.16 means services provided by another entity or provider while the individual is admitted to a
45.17 psychiatric residential treatment facility. Payment for concurrent services may be limited
45.18 and these services are subject to prior authorization by the state's medical review agent.
45.19 Concurrent services may include targeted case management, assertive community treatment,
45.20 clinical care consultation, team consultation, and treatment planning.

45.21 (e) Payment rates under this subdivision must not include the costs of providing the
45.22 following services:

45.23 (1) educational services;

45.24 (2) acute medical care or specialty services for other medical conditions;

45.25 (3) dental services; and

45.26 (4) pharmacy drug costs.

45.27 (f) For purposes of this section, "actual cost" means costs that are allowable, allocable,
45.28 reasonable, and consistent with federal reimbursement requirements in Code of Federal
45.29 Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and the Office of
45.30 Management and Budget Circular Number A-122, relating to nonprofit entities.

45.31 (g) The commissioner shall annually adjust psychiatric residential treatment facility
45.32 services per diem rates to reflect the change in the Centers for Medicare and Medicaid
45.33 Services Inpatient Psychiatric Facility Market Basket. The commissioner shall use the

46.1 indices as forecasted for the midpoint of the prior rate year to the midpoint of the current
46.2 rate year.

46.3 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
46.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
46.5 when federal approval is obtained.

46.6 Sec. 29. Minnesota Statutes 2022, section 256B.0947, subdivision 7, is amended to read:

46.7 Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for services in this
46.8 section must be based on one daily encounter rate per provider inclusive of the following
46.9 services received by an eligible client in a given calendar day: all rehabilitative services,
46.10 supports, and ancillary activities under this section, staff travel time to provide rehabilitative
46.11 services under this section, and crisis response services under section 256B.0624.

46.12 (b) Payment must not be made to more than one entity for each client for services
46.13 provided under this section on a given day. If services under this section are provided by a
46.14 team that includes staff from more than one entity, the team shall determine how to distribute
46.15 the payment among the members.

46.16 (c) The commissioner shall establish regional cost-based rates for entities that will bill
46.17 medical assistance for nonresidential intensive rehabilitative mental health services. In
46.18 developing these rates, the commissioner shall consider:

46.19 (1) the cost for similar services in the health care trade area;

46.20 (2) actual costs incurred by entities providing the services;

46.21 (3) the intensity and frequency of services to be provided to each client;

46.22 (4) the degree to which clients will receive services other than services under this section;
46.23 and

46.24 (5) the costs of other services that will be separately reimbursed.

46.25 (d) The rate for a provider must not exceed the rate charged by that provider for the
46.26 same service to other payers.

46.27 (e) Effective for the rate years beginning on and after January 1, 2024, rates must be
46.28 annually adjusted for inflation using the Centers for Medicare and Medicaid Services
46.29 Medicare Economic Index, as forecasted in the fourth quarter of the calendar year before
46.30 the rate year. The inflation adjustment must be based on the 12-month period from the
46.31 midpoint of the previous rate year to the midpoint of the rate year for which the rate is being
46.32 determined.

47.1 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
47.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
47.3 when federal approval is obtained.

47.4 Sec. 30. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

47.5 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and
47.6 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner
47.7 may issue separate contracts with requirements specific to services to medical assistance
47.8 recipients age 65 and older.

47.9 (b) A prepaid health plan providing covered health services for eligible persons pursuant
47.10 to chapters 256B and 256L is responsible for complying with the terms of its contract with
47.11 the commissioner. Requirements applicable to managed care programs under chapters 256B
47.12 and 256L established after the effective date of a contract with the commissioner take effect
47.13 when the contract is next issued or renewed.

47.14 (c) The commissioner shall withhold five percent of managed care plan payments under
47.15 this section and county-based purchasing plan payments under section 256B.692 for the
47.16 prepaid medical assistance program pending completion of performance targets. Each
47.17 performance target must be quantifiable, objective, measurable, and reasonably attainable,
47.18 except in the case of a performance target based on a federal or state law or rule. Criteria
47.19 for assessment of each performance target must be outlined in writing prior to the contract
47.20 effective date. Clinical or utilization performance targets and their related criteria must
47.21 consider evidence-based research and reasonable interventions when available or applicable
47.22 to the populations served, and must be developed with input from external clinical experts
47.23 and stakeholders, including managed care plans, county-based purchasing plans, and
47.24 providers. The managed care or county-based purchasing plan must demonstrate, to the
47.25 commissioner's satisfaction, that the data submitted regarding attainment of the performance
47.26 target is accurate. The commissioner shall periodically change the administrative measures
47.27 used as performance targets in order to improve plan performance across a broader range
47.28 of administrative services. The performance targets must include measurement of plan
47.29 efforts to contain spending on health care services and administrative activities. The
47.30 commissioner may adopt plan-specific performance targets that take into account factors
47.31 affecting only one plan, including characteristics of the plan's enrollee population. The
47.32 withheld funds must be returned no sooner than July of the following year if performance
47.33 targets in the contract are achieved. The commissioner may exclude special demonstration
47.34 projects under subdivision 23.

48.1 (d) The commissioner shall require that managed care plans:

48.2 (1) use the assessment and authorization processes, forms, timelines, standards,
48.3 documentation, and data reporting requirements, protocols, billing processes, and policies
48.4 consistent with medical assistance fee-for-service or the Department of Human Services
48.5 contract requirements for all personal care assistance services under section 256B.0659 and
48.6 community first services and supports under section 256B.85; and

48.7 (2) by January 30 of each year that follows a rate increase for any aspect of services
48.8 under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking
48.9 minority members of the legislative committees with jurisdiction over rates determined
48.10 under section 256B.851 of the amount of the rate increase that is paid to each personal care
48.11 assistance provider agency with which the plan has a contract.

48.12 ~~(e) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
48.13 ~~include as part of the performance targets described in paragraph (c) a reduction in the health~~
48.14 ~~plan's emergency department utilization rate for medical assistance and MinnesotaCare~~
48.15 ~~enrollees, as determined by the commissioner. For 2012, the reduction shall be based on~~
48.16 ~~the health plan's utilization in 2009. To earn the return of the withhold each subsequent~~
48.17 ~~year, the managed care plan or county-based purchasing plan must achieve a qualifying~~
48.18 ~~reduction of no less than ten percent of the plan's emergency department utilization rate for~~
48.19 ~~medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described~~
48.20 ~~in subdivisions 23 and 28, compared to the previous measurement year until the final~~
48.21 ~~performance target is reached. When measuring performance, the commissioner must~~
48.22 ~~consider the difference in health risk in a managed care or county-based purchasing plan's~~
48.23 ~~membership in the baseline year compared to the measurement year, and work with the~~
48.24 ~~managed care or county-based purchasing plan to account for differences that they agree~~
48.25 ~~are significant.~~

48.26 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
48.27 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
48.28 ~~demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate~~
48.29 ~~was achieved. The commissioner shall structure the withhold so that the commissioner~~
48.30 ~~returns a portion of the withheld funds in amounts commensurate with achieved reductions~~
48.31 ~~in utilization less than the targeted amount.~~

48.32 ~~The withhold described in this paragraph shall continue for each consecutive contract~~
48.33 ~~period until the plan's emergency room utilization rate for state health care program enrollees~~
48.34 ~~is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance~~

49.1 ~~and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the~~
49.2 ~~health plans in meeting this performance target and shall accept payment withholds that~~
49.3 ~~may be returned to the hospitals if the performance target is achieved.~~

49.4 ~~(f) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
49.5 ~~include as part of the performance targets described in paragraph (c) a reduction in the plan's~~
49.6 ~~hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as~~
49.7 ~~determined by the commissioner. To earn the return of the withhold each year, the managed~~
49.8 ~~care plan or county-based purchasing plan must achieve a qualifying reduction of no less~~
49.9 ~~than five percent of the plan's hospital admission rate for medical assistance and~~
49.10 ~~MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and~~
49.11 ~~28, compared to the previous calendar year until the final performance target is reached.~~
49.12 ~~When measuring performance, the commissioner must consider the difference in health risk~~
49.13 ~~in a managed care or county-based purchasing plan's membership in the baseline year~~
49.14 ~~compared to the measurement year, and work with the managed care or county-based~~
49.15 ~~purchasing plan to account for differences that they agree are significant.~~

49.16 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
49.17 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
49.18 ~~demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization~~
49.19 ~~rate was achieved. The commissioner shall structure the withhold so that the commissioner~~
49.20 ~~returns a portion of the withheld funds in amounts commensurate with achieved reductions~~
49.21 ~~in utilization less than the targeted amount.~~

49.22 ~~The withhold described in this paragraph shall continue until there is a 25 percent~~
49.23 ~~reduction in the hospital admission rate compared to the hospital admission rates in calendar~~
49.24 ~~year 2011, as determined by the commissioner. The hospital admissions in this performance~~
49.25 ~~target do not include the admissions applicable to the subsequent hospital admission~~
49.26 ~~performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting~~
49.27 ~~this performance target and shall accept payment withholds that may be returned to the~~
49.28 ~~hospitals if the performance target is achieved.~~

49.29 ~~(g) Effective for services rendered on or after January 1, 2012, the commissioner shall~~
49.30 ~~include as part of the performance targets described in paragraph (c) a reduction in the plan's~~
49.31 ~~hospitalization admission rates for subsequent hospitalizations within 30 days of a previous~~
49.32 ~~hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare~~
49.33 ~~enrollees, as determined by the commissioner. To earn the return of the withhold each year,~~
49.34 ~~the managed care plan or county-based purchasing plan must achieve a qualifying reduction~~
49.35 ~~of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,~~

50.1 ~~excluding enrollees in programs described in subdivisions 23 and 28, of no less than five~~
 50.2 ~~percent compared to the previous calendar year until the final performance target is reached.~~

50.3 ~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of~~
 50.4 ~~the following calendar year if the managed care plan or county-based purchasing plan~~
 50.5 ~~demonstrates to the satisfaction of the commissioner that a qualifying reduction in the~~
 50.6 ~~subsequent hospitalization rate was achieved. The commissioner shall structure the withhold~~
 50.7 ~~so that the commissioner returns a portion of the withheld funds in amounts commensurate~~
 50.8 ~~with achieved reductions in utilization less than the targeted amount.~~

50.9 ~~The withhold described in this paragraph must continue for each consecutive contract~~
 50.10 ~~period until the plan's subsequent hospitalization rate for medical assistance and~~
 50.11 ~~MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and~~
 50.12 ~~28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year~~
 50.13 ~~2011. Hospitals shall cooperate with the plans in meeting this performance target and shall~~
 50.14 ~~accept payment withholds that must be returned to the hospitals if the performance target~~
 50.15 ~~is achieved.~~

50.16 ~~(h)~~ (e) Effective for services rendered on or after January 1, 2013, through December
 50.17 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
 50.18 this section and county-based purchasing plan payments under section 256B.692 for the
 50.19 prepaid medical assistance program. The withheld funds must be returned no sooner than
 50.20 July 1 and no later than July 31 of the following year. The commissioner may exclude
 50.21 special demonstration projects under subdivision 23.

50.22 ~~(i)~~ (f) Effective for services rendered on or after January 1, 2014, the commissioner shall
 50.23 withhold three percent of managed care plan payments under this section and county-based
 50.24 purchasing plan payments under section 256B.692 for the prepaid medical assistance
 50.25 program. The withheld funds must be returned no sooner than July 1 and no later than July
 50.26 31 of the following year. The commissioner may exclude special demonstration projects
 50.27 under subdivision 23.

50.28 ~~(j)~~ (g) A managed care plan or a county-based purchasing plan under section 256B.692
 50.29 may include as admitted assets under section 62D.044 any amount withheld under this
 50.30 section that is reasonably expected to be returned.

50.31 ~~(k)~~ (h) Contracts between the commissioner and a prepaid health plan are exempt from
 50.32 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a),
 50.33 and 7.

51.1 ~~(h)~~ (i) The return of the withhold under paragraphs (h) and (i) is not subject to the
 51.2 requirements of paragraph (c).

51.3 ~~(m)~~ (j) Managed care plans and county-based purchasing plans shall maintain current
 51.4 and fully executed agreements for all subcontractors, including bargaining groups, for
 51.5 administrative services that are expensed to the state's public health care programs.
 51.6 Subcontractor agreements determined to be material, as defined by the commissioner after
 51.7 taking into account state contracting and relevant statutory requirements, must be in the
 51.8 form of a written instrument or electronic document containing the elements of offer,
 51.9 acceptance, consideration, payment terms, scope, duration of the contract, and how the
 51.10 subcontractor services relate to state public health care programs. Upon request, the
 51.11 commissioner shall have access to all subcontractor documentation under this paragraph.
 51.12 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant
 51.13 to section 13.02.

51.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

51.15 Sec. 31. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision
 51.16 to read:

51.17 **Subd. 19a. Limitation on reimbursement; rare disease services provided in Minnesota**
 51.18 **by out-of-network providers.** (a) If a managed care or county-based purchasing plan has
 51.19 an established contractual payment under medical assistance with an out-of-network provider
 51.20 for a service provided in Minnesota related to the diagnosis, monitoring, and treatment of
 51.21 a rare disease or condition, the provider must accept the established contractual payment
 51.22 for that service as payment in full.

51.23 (b) If a plan does not have an established contractual payment under medical assistance
 51.24 with an out-of-network provider for a service provided in Minnesota related to the diagnosis,
 51.25 monitoring, and treatment of a rare disease or condition, the provider must accept the
 51.26 provider's established rate for uninsured patients for that service as payment in full. If the
 51.27 provider does not have an established rate for uninsured patients for that service, the provider
 51.28 must accept the fee-for-service rate.

51.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

52.1 Sec. 32. Minnesota Statutes 2022, section 256B.69, is amended by adding a subdivision
52.2 to read:

52.3 Subd. 19b. **Limitation on reimbursement; rare disease services provided outside of**
52.4 **Minnesota by an out-of-network provider.** (a) If a managed care or county-based
52.5 purchasing plan has an established contractual payment under medical assistance with an
52.6 out-of-network provider for a service provided in another state related to diagnosis,
52.7 monitoring, and treatment of a rare disease or condition, the plan must pay the established
52.8 contractual payment for that service.

52.9 (b) If a plan does not have an established contractual payment under medical assistance
52.10 with an out-of-network provider for a service provided in another state related to diagnosis,
52.11 monitoring, and treatment of a rare disease or condition, the plan must pay the provider's
52.12 established rate for uninsured patients for that service. If the provider does not have an
52.13 established rate for uninsured patients for that service, the plan must pay the provider the
52.14 fee-for-service rate in that state.

52.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

52.16 Sec. 33. Minnesota Statutes 2022, section 256B.758, is amended to read:

52.17 **256B.758 REIMBURSEMENT FOR DOULA SERVICES.**

52.18 (a) Effective for services provided on or after July 1, 2019, through December 31, 2023,
52.19 payments for doula services provided by a certified doula shall be \$47 per prenatal or
52.20 postpartum visit and \$488 for attending and providing doula services at a birth.

52.21 (b) Effective for services provided on or after January 1, 2024, payments for doula
52.22 services provided by a certified doula are \$100 per prenatal or postpartum visit and \$1,400
52.23 for attending and providing doula services at birth.

52.24 **EFFECTIVE DATE.** This section is effective January 1, 2024.

52.25 Sec. 34. Minnesota Statutes 2022, section 256B.76, subdivision 1, as amended by Laws
52.26 2023, chapter 25, section 145, is amended to read:

52.27 Subdivision 1. **Physician and professional services reimbursement.** (a) Effective for
52.28 services rendered on or after October 1, 1992, the commissioner shall make payments for
52.29 physician services as follows:

52.30 (1) payment for level one Centers for Medicare and Medicaid Services' common
52.31 procedural coding system codes titled "office and other outpatient services," "preventive

53.1 medicine new and established patient," "delivery, antepartum, and postpartum care," "critical
53.2 care," cesarean delivery and pharmacologic management provided to psychiatric patients,
53.3 and level three codes for enhanced services for prenatal high risk, shall be paid at the lower
53.4 of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

53.5 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
53.6 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

53.7 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
53.8 percentile of 1989, less the percent in aggregate necessary to equal the above increases
53.9 except that payment rates for home health agency services shall be the rates in effect on
53.10 September 30, 1992.

53.11 (b) Effective for services rendered on or after January 1, 2000, payment rates for physician
53.12 and professional services shall be increased by three percent over the rates in effect on
53.13 December 31, 1999, except for home health agency and family planning agency services.
53.14 The increases in this paragraph shall be implemented January 1, 2000, for managed care.

53.15 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician
53.16 and professional services shall be reduced by five percent, except that for the period July
53.17 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical
53.18 assistance and general assistance medical care programs, over the rates in effect on June
53.19 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other
53.20 outpatient visits, preventive medicine visits and family planning visits billed by physicians,
53.21 advanced practice registered nurses, or physician assistants in a family planning agency or
53.22 in one of the following primary care practices: general practice, general internal medicine,
53.23 general pediatrics, general geriatrics, and family medicine. This reduction and the reductions
53.24 in paragraph (d) do not apply to federally qualified health centers, rural health centers, and
53.25 Indian health services. Effective October 1, 2009, payments made to managed care plans
53.26 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall
53.27 reflect the payment reduction described in this paragraph.

53.28 (d) Effective for services rendered on or after July 1, 2010, payment rates for physician
53.29 and professional services shall be reduced an additional seven percent over the five percent
53.30 reduction in rates described in paragraph (c). This additional reduction does not apply to
53.31 physical therapy services, occupational therapy services, and speech pathology and related
53.32 services provided on or after July 1, 2010. This additional reduction does not apply to
53.33 physician services billed by a psychiatrist or an advanced practice registered nurse with a
53.34 specialty in mental health. Effective October 1, 2010, payments made to managed care plans

54.1 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall
54.2 reflect the payment reduction described in this paragraph.

54.3 (e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,
54.4 payment rates for physician and professional services shall be reduced three percent from
54.5 the rates in effect on August 31, 2011. This reduction does not apply to physical therapy
54.6 services, occupational therapy services, and speech pathology and related services.

54.7 (f) Effective for services rendered on or after September 1, 2014, payment rates for
54.8 physician and professional services, including physical therapy, occupational therapy, speech
54.9 pathology, and mental health services shall be increased by five percent from the rates in
54.10 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not
54.11 include in the base rate for August 31, 2014, the rate increase provided under section
54.12 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,
54.13 rural health centers, and Indian health services. Payments made to managed care plans and
54.14 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

54.15 (g) Effective for services rendered on or after July 1, 2015, payment rates for physical
54.16 therapy, occupational therapy, and speech pathology and related services provided by a
54.17 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause
54.18 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments
54.19 made to managed care plans and county-based purchasing plans shall not be adjusted to
54.20 reflect payments under this paragraph.

54.21 (h) Any rates effective before July 1, 2015, do not apply to early intensive
54.22 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

54.23 (i) The commissioner may reimburse physicians and other licensed professionals for
54.24 costs incurred to pay the fee for testing newborns who are medical assistance enrollees for
54.25 heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when
54.26 the sample is collected outside of an inpatient hospital or freestanding birth center and the
54.27 cost is not recognized by another payment source.

54.28 Sec. 35. Minnesota Statutes 2022, section 256B.761, is amended to read:

54.29 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

54.30 (a) Effective for services rendered on or after July 1, 2001, payment for medication
54.31 management provided to psychiatric patients, outpatient mental health services, day treatment
54.32 services, home-based mental health services, and family community support services shall

55.1 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
55.2 1999 charges.

55.3 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
55.4 services provided by an entity that operates: (1) a Medicare-certified comprehensive
55.5 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,
55.6 with at least 33 percent of the clients receiving rehabilitation services in the most recent
55.7 calendar year who are medical assistance recipients, will be increased by 38 percent, when
55.8 those services are provided within the comprehensive outpatient rehabilitation facility and
55.9 provided to residents of nursing facilities owned by the entity.

55.10 (c) In addition to rate increases otherwise provided, the commissioner may restructure
55.11 coverage policy and rates to improve access to adult rehabilitative mental health services
55.12 under section 256B.0623 and related mental health support services under section 256B.021,
55.13 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected
55.14 state share of increased costs due to this paragraph is transferred from adult mental health
55.15 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent
55.16 base adjustment for subsequent fiscal years. Payments made to managed care plans and
55.17 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
55.18 the rate changes described in this paragraph.

55.19 (d) Any ratables effective before July 1, 2015, do not apply to early intensive
55.20 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

55.21 (e) Effective for services rendered on or after January 1, 2024, payment rates for
55.22 behavioral health services included in the rate analysis required by Laws 2021, First Special
55.23 Session chapter 7, article 17, section 18, except for adult day treatment services under section
55.24 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services
55.25 under section 256B.0949; and substance use disorder services under chapter 254B, must be
55.26 increased by three percent from the rates in effect on December 31, 2023. Effective for
55.27 services rendered on or after January 1, 2025, payment rates for behavioral health services
55.28 included in the rate analysis required by Laws 2021, First Special Session chapter 7, article
55.29 17, section 18, except for adult day treatment services under section 256B.0671, subdivision
55.30 3; early intensive developmental behavioral intervention services under section 256B.0949;
55.31 and substance use disorder services under chapter 254B, must be annually adjusted according
55.32 to the change from the midpoint of the previous rate year to the midpoint of the rate year
55.33 for which the rate is being determined using the Centers for Medicare and Medicaid Services
55.34 Medicare Economic Index as forecasted in the fourth quarter of the calendar year before
55.35 the rate year. For payments made in accordance with this paragraph, if and to the extent

56.1 that the commissioner identifies that the state has received federal financial participation
 56.2 for behavioral health services in excess of the amount allowed under United States Code,
 56.3 title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare
 56.4 and Medicaid Services with state money and maintain the full payment rate under this
 56.5 paragraph. This paragraph does not apply to federally qualified health centers, rural health
 56.6 centers, Indian health services, certified community behavioral health clinics, cost-based
 56.7 rates, and rates that are negotiated with the county. This paragraph expires upon legislative
 56.8 implementation of the new rate methodology resulting from the rate analysis required by
 56.9 Laws 2021, First Special Session chapter 7, article 17, section 18.

56.10 (f) Effective January 1, 2024, the commissioner shall increase capitation payments made
 56.11 to managed care plans and county-based purchasing plans to reflect the behavioral health
 56.12 service rate increase provided in paragraph (e). Managed care and county-based purchasing
 56.13 plans must use the capitation rate increase provided under this paragraph to increase payment
 56.14 rates to behavioral health services providers. The commissioner must monitor the effect of
 56.15 this rate increase on enrollee access to behavioral health services. If for any contract year
 56.16 federal approval is not received for this paragraph, the commissioner must adjust the
 56.17 capitation rates paid to managed care plans and county-based purchasing plans for that
 56.18 contract year to reflect the removal of this provision. Contracts between managed care plans
 56.19 and county-based purchasing plans and providers to whom this paragraph applies must
 56.20 allow recovery of payments from those providers if capitation rates are adjusted in accordance
 56.21 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
 56.22 in rates that results from this provision.

56.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 56.24 whichever is later. The commissioner of human services shall notify the revisor of statutes
 56.25 when federal approval is obtained.

56.26 Sec. 36. Minnesota Statutes 2022, section 256B.763, is amended to read:

56.27 **256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.**

56.28 Subdivision 1. **Rate add-on.** (a) For services defined in paragraph (b) and rendered on
 56.29 or after July 1, 2007, payment rates shall be increased by 23.7 percent over the rates in effect
 56.30 on January 1, 2006, for:

56.31 (1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

56.32 (2) community mental health centers under section 256B.0625, subdivision 5; and

57.1 (3) mental health clinics certified under section 245I.20, or hospital outpatient psychiatric
57.2 departments that are designated as essential community providers under section 62Q.19.

57.3 (b) This increase applies to group skills training when provided as a component of
57.4 children's therapeutic services and support, psychotherapy, medication management,
57.5 evaluation and management, diagnostic assessment, explanation of findings, psychological
57.6 testing, neuropsychological services, direction of behavioral aides, and inpatient consultation.

57.7 (c) This increase does not apply to rates that are governed by section 256B.0625,
57.8 subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are negotiated
57.9 with the county, rates that are established by the federal government, or rates that increased
57.10 between January 1, 2004, and January 1, 2005.

57.11 (d) Payment rates shall be increased by 23.7 percent over the rates in effect on December
57.12 31, 2007, for:

57.13 (1) medication education services provided on or after January 1, 2008, by adult
57.14 rehabilitative mental health services providers certified under section 256B.0623; and

57.15 (2) mental health behavioral aide services provided on or after January 1, 2008, by
57.16 children's therapeutic services and support providers certified under section 256B.0943.

57.17 (e) For services defined in paragraph (b) and rendered on or after January 1, 2008, by
57.18 children's therapeutic services and support providers certified under section 256B.0943 and
57.19 not already included in paragraph (a), payment rates shall be increased by 23.7 percent over
57.20 the rates in effect on December 31, 2007.

57.21 (f) Payment rates shall be increased by 2.3 percent over the rates in effect on December
57.22 31, 2007, for individual and family skills training provided on or after January 1, 2008, by
57.23 children's therapeutic services and support providers certified under section 256B.0943.

57.24 (g) For services described in paragraphs (b), (d), and (f) and rendered on or after July
57.25 1, 2017, payment rates for mental health clinics certified under section 245I.20 that are not
57.26 designated as essential community providers under section 62Q.19 shall be equal to payment
57.27 rates for mental health clinics certified under section 245I.20 that are designated as essential
57.28 community providers under section 62Q.19. In order to receive increased payment rates
57.29 under this paragraph, a provider must demonstrate a commitment to serve low-income and
57.30 underserved populations by:

57.31 (1) charging for services on a sliding-fee schedule based on current poverty income
57.32 guidelines; and

57.33 (2) not restricting access or services because of a client's financial limitation.

58.1 (h) For services identified under this section that are rendered by providers identified
 58.2 under this section, managed care plans and county-based purchasing plans shall reimburse
 58.3 the providers at a rate that is at least equal to the fee-for-service payment rate. The
 58.4 commissioner shall monitor the effect of this requirement on the rate of access to the services
 58.5 delivered by mental health providers.

58.6 Subd. 2. Phaseout. The critical access mental health rate add-on under this section must
 58.7 be reduced according to the following schedule:

58.8 (1) effective for services provided on or after January 1, 2025, the rate add-on is reduced
 58.9 to 11.85 percent;

58.10 (2) effective for services provided on or after January 1, 2026, the rate add-on is reduced
 58.11 to 5.92 percent; and

58.12 (3) effective for services provided on or after January 1, 2027, the rate add-on is 0
 58.13 percent.

58.14 EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval,
 58.15 whichever is later. The commissioner of human services shall notify the revisor of statutes
 58.16 when federal approval is obtained.

58.17 Sec. 37. Minnesota Statutes 2022, section 256B.764, is amended to read:

58.18 **256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.**

58.19 (a) Effective for services rendered on or after July 1, 2007, payment rates for family
 58.20 planning services shall be increased by 25 percent over the rates in effect June 30, 2007,
 58.21 when these services are provided by a community clinic as defined in section 145.9268,
 58.22 subdivision 1.

58.23 (b) Effective for services rendered on or after July 1, 2013, payment rates for family
 58.24 planning services shall be increased by 20 percent over the rates in effect June 30, 2013,
 58.25 when these services are provided by a community clinic as defined in section 145.9268,
 58.26 subdivision 1. The commissioner shall adjust capitation rates to managed care and
 58.27 county-based purchasing plans to reflect this increase, and shall require plans to pass on the
 58.28 full amount of the rate increase to eligible community clinics, in the form of higher payment
 58.29 rates for family planning services.

58.30 (c) Effective for services provided on or after January 1, 2024, payment rates for family
 58.31 planning and abortion services shall be increased by 20 percent. This increase does not
 58.32 apply to federally qualified health centers, rural health centers, or Indian health services.

59.1 Sec. 38. Minnesota Statutes 2022, section 256L.03, subdivision 1, is amended to read:

59.2 Subdivision 1. **Covered health services.** (a) "Covered health services" means the health
 59.3 services reimbursed under chapter 256B, with the exception of special education services,
 59.4 home care nursing services, adult dental care services other than services covered under
 59.5 section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation
 59.6 services, personal care assistance and case management services, community first services
 59.7 and supports under section 256B.85, behavioral health home services under section
 59.8 256B.0757, housing stabilization services under section 256B.051, and nursing home or
 59.9 intermediate care facilities services.

59.10 ~~(b) No public funds shall be used for coverage of abortion under MinnesotaCare except~~
 59.11 ~~where the life of the female would be endangered or substantial and irreversible impairment~~
 59.12 ~~of a major bodily function would result if the fetus were carried to term; or where the~~
 59.13 ~~pregnancy is the result of rape or incest.~~

59.14 ~~(e)~~ (b) Covered health services shall be expanded as provided in this section.

59.15 ~~(d)~~ (c) For the purposes of covered health services under this section, "child" means an
 59.16 individual younger than 19 years of age.

59.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

59.18 Sec. 39. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

59.19 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to
 59.20 children under the age of 21 and to American Indians as defined in Code of Federal
 59.21 Regulations, title 42, section 600.5.

59.22 (b) The commissioner ~~shall~~ must adjust co-payments, coinsurance, and deductibles for
 59.23 covered services in a manner sufficient to maintain the actuarial value of the benefit to 94
 59.24 percent. The cost-sharing changes described in this paragraph do not apply to eligible
 59.25 recipients or services exempt from cost-sharing under state law. The cost-sharing changes
 59.26 described in this paragraph shall not be implemented prior to January 1, 2016.

59.27 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
 59.28 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
 59.29 title 42, sections 600.510 and 600.520.

59.30 (d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic
 59.31 services or testing that a health care provider determines an enrollee requires after a
 59.32 mammogram, as specified under section 62A.30, subdivision 5.

60.1 (e) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to
 60.2 tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

60.3 (f) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis
 60.4 (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or
 60.5 treatment of the human immunodeficiency virus (HIV).

60.6 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 60.7 whichever is later. The commissioner of human services shall notify the revisor of statutes
 60.8 when federal approval is obtained.

60.9 Sec. 40. Laws 2021, First Special Session chapter 7, article 1, section 36, as amended by
 60.10 Laws 2023, chapter 22, section 2, is amended to read:

60.11 Sec. 36. **RESPONSE TO COVID-19 PUBLIC HEALTH EMERGENCY.**

60.12 (a) Notwithstanding Minnesota Statutes, section 256B.057, subdivision 9, or any other
 60.13 provision to the contrary, the commissioner shall not collect any unpaid premium for a
 60.14 coverage month that occurred during the COVID-19 public health emergency declared by
 60.15 the United States Secretary of Health and Human Services and through the month prior to
 60.16 an enrollee's first renewal following the resumption of medical assistance renewals after
 60.17 March 31, 2023.

60.18 (b) Notwithstanding any provision to the contrary, periodic data matching under
 60.19 Minnesota Statutes, section 256B.0561, subdivision 2, may be suspended for up to 12 months
 60.20 following the resumption of medical assistance and MinnesotaCare renewals after March
 60.21 31, 2023.

60.22 (c) Notwithstanding any provision to the contrary, the requirement for the commissioner
 60.23 of human services to issue an annual report on periodic data matching under Minnesota
 60.24 Statutes, section 256B.0561, is suspended for one year following the last day of the
 60.25 COVID-19 public health emergency declared by the United States Secretary of Health and
 60.26 Human Services.

60.27 (d) For individuals enrolled in ~~medical assistance~~ Minnesota health care programs as of
 60.28 March 31, 2023, who are subject to the asset limits established by Minnesota Statutes,
 60.29 ~~section~~ sections 256B.056, subdivision 3, paragraph (a), and 256B.057, assets in excess of
 60.30 the limits ~~established by Minnesota Statutes, section 256B.056, subdivision 3, paragraph~~
 60.31 ~~(a)~~, therein must be disregarded until the individual's second annual renewal ~~occurring~~
 60.32 following the resumption of renewals after March 31, 2023.

61.1 (e) The commissioner may temporarily adjust medical assistance eligibility verification
61.2 requirements as needed to comply with federal guidance and ensure a timely renewal process
61.3 for the period during which enrollees are subject to their first annual renewal following
61.4 March 31, 2023. The commissioner must implement sufficient controls to monitor the
61.5 effectiveness of verification adjustments and ensure program integrity.

61.6 (f) Notwithstanding any provision to the contrary, the commissioner of human services
61.7 may temporarily extend the time frame permitted to take final administrative action on fair
61.8 hearing requests from medical assistance and MinnesotaCare recipients under Minnesota
61.9 Statutes, section 256.045, until the end of the 23rd month after the end of the month in
61.10 which the public health emergency for COVID-19, as declared by the United States Secretary
61.11 of Health and Human Services, ends. During this period, the commissioner must:

61.12 (1) not delay resolving expedited fair hearings described in Code of Federal Regulations,
61.13 title 42, chapter IV, subchapter C, part 431, subpart E, section 431.224, paragraph (a);

61.14 (2) provide medical assistance benefits, pending the outcome of a fair hearing decision,
61.15 to any medical assistance recipient, and provide MinnesotaCare benefits, pending the
61.16 outcome of a fair hearing decision, to any MinnesotaCare recipient, who requests a fair
61.17 hearing within the time provided under Minnesota Statutes, section 256.045, subdivision
61.18 3, paragraph (i), and regardless of whether the recipient has requested benefits pending the
61.19 outcome of the recipient's fair hearing;

61.20 (3) reinstate medical assistance or MinnesotaCare benefits back to the date of action, if
61.21 the recipient requests a fair hearing after the date of action and within the time provided
61.22 under Minnesota Statutes, section 256.045, subdivision 3, paragraph (i);

61.23 (4) take final administrative action within the maximum 90 days permitted under Code
61.24 of Federal Regulations, title 42, chapter IV, subchapter C, part 431, subpart E, section
61.25 431.244, paragraph (f)(1), for fair hearing requests where medical assistance or
61.26 MinnesotaCare benefits cannot be provided pending the outcome of the fair hearing, such
61.27 as a fair hearing challenging a denial of eligibility for an applicant;

61.28 (5) not recoup or recover from the recipient the cost of medical assistance or
61.29 MinnesotaCare benefits provided pending final administrative action, even if the agency's
61.30 action is sustained by the hearing decision; and

61.31 (6) not use this authority as justification to delay taking final action, and only exceed
61.32 the 90 days permitted for taking final agency action under Code of Federal Regulations,
61.33 title 42, section 431.244, paragraph (f)(1), to the extent to which the commissioner is unable
61.34 to take timely final agency action on a given fair hearing request.

62.1 (g) Notwithstanding Minnesota Statutes, section 256L.06, subdivision 3; 256L.15,
 62.2 subdivision 2, or any other provision to the contrary, the commissioner must not collect any
 62.3 unpaid premium for a coverage month that occurred during the COVID-19 public health
 62.4 emergency declared by the United States Secretary of Health and Human Services.

62.5 (h) Notwithstanding Minnesota Statutes, sections 256L.06 and 256L.15, or any other
 62.6 provision to the contrary, the commissioner must waive MinnesotaCare premiums for all
 62.7 enrollees beginning May 1, 2023, through June 30, 2024.

62.8 (i) Notwithstanding any other law to the contrary, the commissioner shall, as required
 62.9 by the Centers for Medicare & Medicaid Services, suspend certain procedural terminations
 62.10 for medical assistance enrollees.

62.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

62.12 Sec. 41. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to
 62.13 read:

62.14 Sec. 26. **COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19**
 62.15 **HUMAN SERVICES PROGRAM MODIFICATIONS.**

62.16 Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2,
 62.17 as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime
 62.18 emergency declared by the governor in response to the COVID-19 outbreak expires, is
 62.19 terminated, or is rescinded by the proper authority, the following modifications issued by
 62.20 the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and
 62.21 including any amendments to the modification issued before the peacetime emergency
 62.22 expires, shall remain in effect until July 1, ~~2023~~ 2025:

62.23 (1) CV16: expanding access to telemedicine services for Children's Health Insurance
 62.24 Program, Medical Assistance, and MinnesotaCare enrollees; and

62.25 (2) CV21: allowing telemedicine alternative for school-linked mental health services
 62.26 and intermediate school district mental health services.

62.27 Sec. 42. **ELIGIBILITY FOR DEFERRED ACTION FOR CHILDHOOD ARRIVAL**
 62.28 **ENROLLEES.**

62.29 (a) The commissioner of human services shall make federally funded medical assistance
 62.30 and federally funded MinnesotaCare available to Minnesotans who are Deferred Action for
 62.31 Childhood Arrival recipients considered lawfully present noncitizens in accordance with

63.1 regulations finalized by the Centers for Medicare and Medicaid Services and who meet all
 63.2 other medical assistance and MinnesotaCare eligibility criteria.

63.3 (b) This section expires June 30, 2025.

63.4 **EFFECTIVE DATE.** This section is effective upon the effective date of final regulations
 63.5 published by the Centers for Medicare and Medicaid Services. The commissioner of human
 63.6 services shall notify the revisor of statutes when the final regulations published by the
 63.7 Centers for Medicare and Medicaid Services are effective.

63.8 Sec. 43. **REPEALER.**

63.9 (a) Minnesota Statutes 2022, section 256B.763, is repealed.

63.10 (b) Minnesota Rules, part 9505.0235, is repealed.

63.11 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2027. Paragraph (b) is
 63.12 effective the day following final enactment.

63.13 **ARTICLE 2**

63.14 **HEALTH INSURANCE**

63.15 Section 1. Minnesota Statutes 2022, section 62A.045, is amended to read:

63.16 **62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT**
 63.17 **HEALTH PROGRAMS.**

63.18 (a) As a condition of doing business in Minnesota or providing coverage to residents of
 63.19 Minnesota covered by this section, each health insurer shall comply with the requirements
 63.20 ~~of~~ for health insurers under the federal Deficit Reduction Act of 2005, Public Law 109-171
 63.21 and the federal Consolidated Appropriations Act of 2022, Public Law 117-103, including
 63.22 any federal regulations adopted under ~~that act~~ those acts, to the extent that ~~it imposes~~ they
 63.23 impose a requirement that applies in this state and that is not also required by the laws of
 63.24 this state. This section does not require compliance with any provision of the federal ~~act~~
 63.25 acts prior to the effective ~~date~~ dates provided for ~~that provision~~ those provisions in the
 63.26 federal ~~act~~ acts. The commissioner shall enforce this section.

63.27 For the purpose of this section, "health insurer" includes self-insured plans, group health
 63.28 plans (as defined in section 607(1) of the Employee Retirement Income Security Act of
 63.29 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or
 63.30 other parties that are by contract legally responsible to pay a claim for a health-care item
 63.31 or service for an individual receiving benefits under paragraph (b).

64.1 (b) No plan offered by a health insurer issued or renewed to provide coverage to a
64.2 Minnesota resident shall contain any provision denying or reducing benefits because services
64.3 are rendered to a person who is eligible for or receiving medical benefits pursuant to title
64.4 XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256 or 256B;
64.5 or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2;
64.6 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits
64.7 under plans covered by this section shall use eligibility for medical programs named in this
64.8 section as an underwriting guideline or reason for nonacceptance of the risk.

64.9 (c) If payment for covered expenses has been made under state medical programs for
64.10 health care items or services provided to an individual, and a third party has a legal liability
64.11 to make payments, the rights of payment and appeal of an adverse coverage decision for
64.12 the individual, or in the case of a child their responsible relative or caretaker, will be
64.13 subrogated to the state agency. The state agency may assert its rights under this section
64.14 within three years of the date the service was rendered. For purposes of this section, "state
64.15 agency" includes prepaid health plans under contract with the commissioner according to
64.16 sections 256B.69 and 256L.12; children's mental health collaboratives under section 245.493;
64.17 demonstration projects for persons with disabilities under section 256B.77; nursing homes
64.18 under the alternative payment demonstration project under section 256B.434; and
64.19 county-based purchasing entities under section 256B.692.

64.20 (d) Notwithstanding any law to the contrary, when a person covered by a plan offered
64.21 by a health insurer receives medical benefits according to any statute listed in this section,
64.22 payment for covered services or notice of denial for services billed by the provider must be
64.23 issued directly to the provider. If a person was receiving medical benefits through the
64.24 Department of Human Services at the time a service was provided, the provider must indicate
64.25 this benefit coverage on any claim forms submitted by the provider to the health insurer for
64.26 those services. If the commissioner of human services notifies the health insurer that the
64.27 commissioner has made payments to the provider, payment for benefits or notices of denials
64.28 issued by the health insurer must be issued directly to the commissioner. Submission by the
64.29 department to the health insurer of the claim on a Department of Human Services claim
64.30 form is proper notice and shall be considered proof of payment of the claim to the provider
64.31 and supersedes any contract requirements of the health insurer relating to the form of
64.32 submission. Liability to the insured for coverage is satisfied to the extent that payments for
64.33 those benefits are made by the health insurer to the provider or the commissioner as required
64.34 by this section.

65.1 (e) When a state agency has acquired the rights of an individual eligible for medical
65.2 programs named in this section and has health benefits coverage through a health insurer,
65.3 the health insurer shall not impose requirements that are different from requirements
65.4 applicable to an agent or assignee of any other individual covered.

65.5 (f) A health insurer must process a clean claim made by a state agency for covered
65.6 expenses paid under state medical programs within 90 business days of the claim's
65.7 submission. A health insurer must process all other claims made by a state agency for
65.8 covered expenses paid under a state medical program within the timeline set forth in Code
65.9 of Federal Regulations, title 42, section 447.45(d)(4).

65.10 (g) A health insurer may request a refund of a claim paid in error to the Department of
65.11 Human Services within two years of the date the payment was made to the department. A
65.12 request for a refund shall not be honored by the department if the health insurer makes the
65.13 request after the time period has lapsed.

65.14 Sec. 2. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to
65.15 read:

65.16 Subd. 5. **Mammogram; diagnostic services and testing.** If a health care provider
65.17 determines an enrollee requires additional diagnostic services or testing after a mammogram,
65.18 a health plan must provide coverage for the additional diagnostic services or testing with
65.19 no cost-sharing, including co-pay, deductible, or coinsurance.

65.20 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
65.21 plans offered, issued, or sold on or after that date.

65.22 Sec. 3. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to
65.23 read:

65.24 Subd. 6. **Application.** If the application of subdivision 5 before an enrollee has met their
65.25 health plan's deductible would result in: (1) health savings account ineligibility under United
65.26 States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United
65.27 States Code, title 42, section 18022(e), then subdivision 5 shall apply to diagnostic services
65.28 or testing only after the enrollee has met their health plan's deductible.

65.29 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
65.30 plans offered, issued, or sold on or after that date.

66.1 Sec. 4. Minnesota Statutes 2022, section 62A.673, subdivision 2, is amended to read:

66.2 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
66.3 have the meanings given.

66.4 (b) "Distant site" means a site at which a health care provider is located while providing
66.5 health care services or consultations by means of telehealth.

66.6 (c) "Health care provider" means a health care professional who is licensed or registered
66.7 by the state to perform health care services within the provider's scope of practice and in
66.8 accordance with state law. A health care provider includes a mental health professional
66.9 under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04,
66.10 subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator
66.11 under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11,
66.12 subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

66.13 (d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

66.14 (e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan
66.15 includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental
66.16 plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed
66.17 to pay benefits directly to the policy holder.

66.18 (f) "Originating site" means a site at which a patient is located at the time health care
66.19 services are provided to the patient by means of telehealth. For purposes of store-and-forward
66.20 technology, the originating site also means the location at which a health care provider
66.21 transfers or transmits information to the distant site.

66.22 (g) "Store-and-forward technology" means the asynchronous electronic transfer or
66.23 transmission of a patient's medical information or data from an originating site to a distant
66.24 site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

66.25 (h) "Telehealth" means the delivery of health care services or consultations through the
66.26 use of real time two-way interactive audio and visual communications to provide or support
66.27 health care delivery and facilitate the assessment, diagnosis, consultation, treatment,
66.28 education, and care management of a patient's health care. Telehealth includes the application
66.29 of secure video conferencing, store-and-forward technology, and synchronous interactions
66.30 between a patient located at an originating site and a health care provider located at a distant
66.31 site. Until July 1, ~~2023~~ 2025, telehealth also includes audio-only communication between
66.32 a health care provider and a patient in accordance with subdivision 6, paragraph (b).
66.33 Telehealth does not include communication between health care providers that consists

67.1 solely of a telephone conversation, email, or facsimile transmission. Telehealth does not
67.2 include communication between a health care provider and a patient that consists solely of
67.3 an email or facsimile transmission. Telehealth does not include telemonitoring services as
67.4 defined in paragraph (i).

67.5 (i) "Telemonitoring services" means the remote monitoring of clinical data related to
67.6 the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits
67.7 the data electronically to a health care provider for analysis. Telemonitoring is intended to
67.8 collect an enrollee's health-related data for the purpose of assisting a health care provider
67.9 in assessing and monitoring the enrollee's medical condition or status.

67.10 **Sec. 5. [62J.811] PROVIDER BALANCE BILLING REQUIREMENTS.**

67.11 Subdivision 1. Billing requirements. (a) Each health care provider and health facility
67.12 shall comply with the federal Consolidated Appropriations Act, 2021, Division BB also
67.13 known as the "No Surprises Act," including any federal regulations adopted under that act.

67.14 (b) For the purposes of this section, "provider" or "facility" means any health care
67.15 provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that
67.16 is subject to relevant provisions of the No Surprises Act.

67.17 Subd. 2. Investigations and compliance. (a) The commissioner shall, to the extent
67.18 practicable, seek the cooperation of health care providers and facilities, and may provide
67.19 any support and assistance as available, in obtaining compliance with this section.

67.20 (b) The commissioner shall determine the manner and processes for fulfilling any
67.21 responsibilities and taking any of the actions in paragraphs (c) to (f).

67.22 (c) A person who believes a health care provider or facility has not complied with the
67.23 requirements of the No Surprises Act or this section may file a complaint with the
67.24 commissioner in the manner determined by the commissioner.

67.25 (d) The commissioner shall conduct compliance reviews and investigate complaints
67.26 filed under this section in the manner determined by the commissioner to ascertain whether
67.27 health care providers and facilities are complying with this section.

67.28 (e) The commissioner may report violations under this section to other relevant federal
67.29 and state departments and jurisdictions as appropriate, including the attorney general and
67.30 relevant licensing boards, and may also coordinate on investigations and enforcement of
67.31 this section with other relevant federal and state departments and jurisdictions as appropriate,
67.32 including the attorney general and relevant licensing boards.

68.1 (f) A health care provider or facility may contest whether the finding of facts constitute
68.2 a violation of this section according to the contested case proceeding in sections 14.57 to
68.3 14.62, subject to appeal according to sections 14.63 to 14.68.

68.4 (g) Any data collected by the commissioner as part of an active investigation or active
68.5 compliance review under this section are classified (1) if the data is not on individuals, it
68.6 is classified as protected nonpublic data pursuant to section 13.02 subdivision 13; or (2) if
68.7 the data is on individuals, it is classified as confidential pursuant to sections 13.02,
68.8 subdivision 3. Data describing the final disposition of an investigative or compliance review
68.9 are classified as public.

68.10 Subd. 3. **Civil penalty.** (a) The commissioner, in monitoring and enforcing this section,
68.11 may levy a civil monetary penalty against each health care provider or facility found to be
68.12 in violation of up to \$100 for each violation, but may not exceed \$25,000 for identical
68.13 violations during a calendar year.

68.14 (b) No civil monetary penalty shall be imposed under this section for violations that
68.15 occur prior to January 1, 2024.

68.16 Sec. 6. Minnesota Statutes 2022, section 62J.824, is amended to read:

68.17 **62J.824 FACILITY FEE DISCLOSURE.**

68.18 (a) Prior to the delivery of nonemergency services, a provider-based clinic that charges
68.19 a facility fee shall provide notice to any patient, including patients served by telehealth as
68.20 defined in section 62A.673, subdivision 2, paragraph (h), stating that the clinic is part of a
68.21 hospital and the patient may receive a separate charge or billing for the facility component,
68.22 which may result in a higher out-of-pocket expense.

68.23 (b) Each health care facility must post prominently in locations easily accessible to and
68.24 visible by patients, including on its website, a statement that the provider-based clinic is
68.25 part of a hospital and the patient may receive a separate charge or billing for the facility,
68.26 which may result in a higher out-of-pocket expense.

68.27 (c) This section does not apply to laboratory services, imaging services, or other ancillary
68.28 health services that are provided by staff who are not employed by the health care facility
68.29 or clinic.

68.30 (d) For purposes of this section:

68.31 (1) "facility fee" means any separate charge or billing by a provider-based clinic in
68.32 addition to a professional fee for physicians' services that is intended to cover building,

69.1 electronic medical records systems, billing, and other administrative and operational
69.2 expenses; and

69.3 (2) "provider-based clinic" means the site of an off-campus clinic or provider office,
69.4 located at least 250 yards from the main hospital buildings or as determined by the Centers
69.5 for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144
69.6 or a health system that operates one or more hospitals licensed under chapter 144, and is
69.7 primarily engaged in providing diagnostic and therapeutic care, including medical history,
69.8 physical examinations, assessment of health status, and treatment monitoring. This definition
69.9 does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy,
69.10 pharmacy, or educational services and does not include facilities designated as rural health
69.11 clinics.

69.12 **Sec. 7. [62J.826] MEDICAL AND DENTAL PRACTICES; CURRENT STANDARD**
69.13 **CHARGES.**

69.14 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

69.15 (b) "CDT code" means a code value drawn from the Code on Dental Procedures and
69.16 Nomenclature published by the American Dental Association.

69.17 (c) "Chargemaster" means the list of all individual items and services maintained by a
69.18 medical or dental practice for which the medical or dental practice has established a charge.

69.19 (d) "Commissioner" means the commissioner of health.

69.20 (e) "CPT code" means a code value drawn from the Current Procedural Terminology
69.21 published by the American Medical Association.

69.22 (f) "Dental service" means a service charged using a CDT code.

69.23 (g) "Diagnostic laboratory testing" means a service charged using a CPT code within
69.24 the CPT code range of 80047 to 89398.

69.25 (h) "Diagnostic radiology service" means a service charged using a CPT code within
69.26 the CPT code range of 70010 to 79999 and includes the provision of x-rays, computed
69.27 tomography scans, positron emission tomography scans, magnetic resonance imaging scans,
69.28 and mammographies.

69.29 (i) "Hospital" means an acute care institution licensed under sections 144.50 to 144.58,
69.30 but does not include a health care institution conducted for those who rely primarily upon
69.31 treatment by prayer or spiritual means in accordance with the creed or tenets of any church
69.32 or denomination.

70.1 (j) "Medical or dental practice" means a business that:

70.2 (1) earns revenue by providing medical care or dental services to the public;

70.3 (2) issues payment claims to health plan companies and other payers; and

70.4 (3) may be identified by its federal tax identification number.

70.5 (k) "Outpatient surgical center" means a health care facility other than a hospital offering
 70.6 elective outpatient surgery under a license issued under sections 144.50 to 144.58.

70.7 (l) "Standard charge" means the regular rate established by the medical or dental practice
 70.8 for an item or service provided to a specific group of paying patients. This includes all of
 70.9 the following:

70.10 (1) the charge for an individual item or service that is reflected on a medical or dental
 70.11 practice's chargemaster, absent any discounts;

70.12 (2) the charge that a medical or dental practice has negotiated with a third-party payer
 70.13 for an item or service;

70.14 (3) the lowest charge that a medical or dental practice has negotiated with all third-party
 70.15 payers for an item or service;

70.16 (4) the highest charge that a medical or dental practice has negotiated with all third-party
 70.17 payers for an item or service; and

70.18 (5) the charge that applies to an individual who pays cash, or cash equivalent, for an
 70.19 item or service.

70.20 Subd. 2. Requirement; current standard charges. The following medical or dental
 70.21 practices must make available to the public a list of their current standard charges for all
 70.22 items and services, as reflected in the medical or dental practice's chargemaster, provided
 70.23 by the medical or dental practice:

70.24 (1) hospitals;

70.25 (2) outpatient surgical centers; and

70.26 (3) any other medical or dental practice that has revenue of greater than \$50,000,000
 70.27 per year and that derives the majority of its revenue by providing one or more of the following
 70.28 services:

70.29 (i) diagnostic radiology services;

70.30 (ii) diagnostic laboratory testing;

71.1 (iii) orthopedic surgical procedures, including joint arthroplasty procedures within the
 71.2 CPT code range of 26990 to 27899;

71.3 (iv) ophthalmologic surgical procedures, including cataract surgery coded using CPT
 71.4 code 66982 or 66984, or refractive correction surgery to improve visual acuity;

71.5 (v) anesthesia services commonly provided as an ancillary to services provided at a
 71.6 hospital, outpatient surgical center, or medical practice that provides orthopedic surgical
 71.7 procedures or ophthalmologic surgical procedures;

71.8 (vi) oncology services, including radiation oncology treatments within the CPT code
 71.9 range of 77261 to 77799 and drug infusions; or

71.10 (vii) dental services.

71.11 Subd. 3. **Required file format and content.** (a) A medical or dental practice that is
 71.12 subject to this section must make available to the public current standard charges using the
 71.13 format and data elements specified in the currently effective version of the Hospital Price
 71.14 Transparency Sample Format (Tall) (CSV) and related data dictionary recommended for
 71.15 hospitals by the Centers for Medicare and Medicaid Services (CMS). If CMS modifies or
 71.16 replaces the specifications for this format, the form of this file must be modified or replaced
 71.17 to conform with the new CMS specifications by the date specified by CMS for compliance
 71.18 with its new specifications. All prices included in the file must be expressed as dollar
 71.19 amounts. The data must be in the form of a comma separated values file which can be
 71.20 directly imported, without further editing or remediation, into a relational database table
 71.21 which has been designed to receive these files. The medical or dental practice must make
 71.22 the file available to the public in a manner specified by the commissioner.

71.23 (b) A medical or dental practice must test its file for compliance with paragraph (a)
 71.24 before making the file available to the public.

71.25 (c) A hospital must comply with this section no later than January 1, 2024. A medical
 71.26 or dental practice that meets the requirements in subdivision 2, clause (3), or an outpatient
 71.27 surgical center must comply with this section no later than January 1, 2025.

71.28 Sec. 8. Minnesota Statutes 2022, section 62J.84, subdivision 2, is amended to read:

71.29 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
 71.30 have the meanings given.

71.31 (b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics
 71.32 license application approved under United States Code, title 42, section 262(K)(3).

72.1 (c) "Brand name drug" means a drug that is produced or distributed pursuant to:

72.2 (1) ~~an original~~, a new drug application approved under United States Code, title 21,
72.3 section 355(c), except for a generic drug as defined under Code of Federal Regulations,
72.4 title 42, section 447.502; or

72.5 (2) a biologics license application approved under United States Code, title ~~45~~ 42, section
72.6 262(a)(c).

72.7 (d) "Commissioner" means the commissioner of health.

72.8 (e) "Generic drug" means a drug that is marketed or distributed pursuant to:

72.9 (1) an abbreviated new drug application approved under United States Code, title 21,
72.10 section 355(j);

72.11 (2) an authorized generic as defined under Code of Federal Regulations, title ~~45~~ 42,
72.12 section 447.502; or

72.13 (3) a drug that entered the market the year before 1962 and was not originally marketed
72.14 under a new drug application.

72.15 (f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

72.16 (g) "New prescription drug" or "new drug" means a prescription drug approved for
72.17 marketing by the United States Food and Drug Administration (FDA) for which no previous
72.18 wholesale acquisition cost has been established for comparison.

72.19 (h) "Patient assistance program" means a program that a manufacturer offers to the public
72.20 in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs
72.21 by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other
72.22 means.

72.23 (i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision
72.24 8.

72.25 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
72.26 42, section 1395w-3a(c)(6)(B).

72.27 (k) "30-day supply" means the total daily dosage units of a prescription drug
72.28 recommended by the prescribing label approved by the FDA for 30 days. If the
72.29 FDA-approved prescribing label includes more than one recommended daily dosage, the
72.30 30-day supply is based on the maximum recommended daily dosage on the FDA-approved
72.31 prescribing label.

73.1 (l) "Course of treatment" means the total dosage of a single prescription for a prescription
73.2 drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing
73.3 label includes more than one recommended dosage for a single course of treatment, the
73.4 course of treatment is the maximum recommended dosage on the FDA-approved prescribing
73.5 label.

73.6 (m) "Drug product family" means a group of one or more prescription drugs that share
73.7 a unique generic drug description or nontrade name and dosage form.

73.8 (n) "Individual salable unit" means the smallest container of product introduced into
73.9 commerce by the manufacturer or repackager that is intended by the manufacturer or
73.10 repackager for individual sale to a dispenser.

73.11 (o) "National drug code" means the three-segment code maintained by the federal Food
73.12 and Drug Administration that includes a labeler code, a product code, and a package code
73.13 for a drug product and that has been converted to an 11-digit format consisting of five digits
73.14 in the first segment, four digits in the second segment, and two digits in the third segment.
73.15 A three-segment code shall be considered converted to an 11-digit format when, as necessary,
73.16 at least one "0" has been added to the front of each segment containing less than the specified
73.17 number of digits such that each segment contains the specified number of digits.

73.18 (p) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as
73.19 defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy
73.20 by the Board of Pharmacy under section 151.19.

73.21 (q) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy
73.22 benefit manager under section 62W.03.

73.23 (r) "Pricing unit" means the smallest dispensable amount of a prescription drug product
73.24 that could be dispensed.

73.25 (s) "Rebate" means a discount, chargeback, or other price concession that affects the
73.26 price of a prescription drug product, regardless of whether conferred through regular
73.27 aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective
73.28 financial reconciliations, including reconciliations that also reflect other contractual
73.29 arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as
73.30 defined in Code of Federal Regulations, title 42, section 447.502.

73.31 (t) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager,
73.32 wholesale drug distributor, or any other entity required to submit data under this section.

73.33 (u) "Wholesale drug distributor" or "wholesaler" means an entity that:

74.1 (1) is licensed to act as a wholesale drug distributor under section 151.47; and

74.2 (2) distributes prescription drugs, for which it is not the manufacturer, to persons or
74.3 entities, or both, other than a consumer or patient in the state.

74.4 Sec. 9. Minnesota Statutes 2022, section 62J.84, subdivision 3, is amended to read:

74.5 Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022,
74.6 a drug manufacturer must submit to the commissioner the information described in paragraph
74.7 (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply
74.8 or for a course of treatment lasting less than 30 days and:

74.9 (1) for brand name drugs where there is an increase of ten percent or greater in the price
74.10 over the previous 12-month period or an increase of 16 percent or greater in the price over
74.11 the previous 24-month period; and

74.12 (2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in
74.13 the price over the previous 12-month period.

74.14 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
74.15 the commissioner no later than 60 days after the price increase goes into effect, in the form
74.16 and manner prescribed by the commissioner, the following information, if applicable:

74.17 (1) the ~~name~~ description and price of the drug and the net increase, expressed as a
74.18 percentage; with the following listed separately:

74.19 (i) the national drug code;

74.20 (ii) the product name;

74.21 (iii) the dosage form;

74.22 (iv) the strength; and

74.23 (v) the package size;

74.24 (2) the factors that contributed to the price increase;

74.25 (3) the name of any generic version of the prescription drug available on the market;

74.26 (4) the introductory price of the prescription drug when it was ~~approved for marketing~~
74.27 ~~by the Food and Drug Administration and the net yearly increase, by calendar year, in the~~
74.28 ~~price of the prescription drug during the previous five years~~ introduced for sale in the United
74.29 States and the price of the drug on the last day of each of the five calendar years preceding
74.30 the price increase;

- 75.1 (5) the direct costs incurred during the previous 12-month period by the manufacturer
 75.2 that are associated with the prescription drug, listed separately:
- 75.3 (i) to manufacture the prescription drug;
- 75.4 (ii) to market the prescription drug, including advertising costs; and
- 75.5 (iii) to distribute the prescription drug;
- 75.6 (6) the total sales revenue for the prescription drug during the previous 12-month period;
- 75.7 (7) the manufacturer's net profit attributable to the prescription drug during the previous
 75.8 12-month period;
- 75.9 (8) the total amount of financial assistance the manufacturer has provided through patient
 75.10 prescription assistance programs during the previous 12-month period, if applicable;
- 75.11 (9) any agreement between a manufacturer and another entity contingent upon any delay
 75.12 in offering to market a generic version of the prescription drug;
- 75.13 (10) the patent expiration date of the prescription drug if it is under patent;
- 75.14 (11) the name and location of the company that manufactured the drug; ~~and~~
- 75.15 (12) if a brand name prescription drug, the ~~ten highest prices~~ price paid for the
 75.16 prescription drug during the previous calendar year in ~~any country other than the ten~~
 75.17 countries, excluding the United States-, that charged the highest single price for the
 75.18 prescription drug; and
- 75.19 (13) if the prescription drug was acquired by the manufacturer during the previous
 75.20 12-month period, all of the following information:
- 75.21 (i) price at acquisition;
- 75.22 (ii) price in the calendar year prior to acquisition;
- 75.23 (iii) name of the company from which the drug was acquired;
- 75.24 (iv) date of acquisition; and
- 75.25 (v) acquisition price.
- 75.26 (c) The manufacturer may submit any documentation necessary to support the information
 75.27 reported under this subdivision.

76.1 Sec. 10. Minnesota Statutes 2022, section 62J.84, subdivision 4, is amended to read:

76.2 Subd. 4. **New prescription drug price reporting.** (a) Beginning January 1, 2022, no
76.3 later than 60 days after a manufacturer introduces a new prescription drug for sale in the
76.4 United States that is a new brand name drug with a price that is greater than the tier threshold
76.5 established by the Centers for Medicare and Medicaid Services for specialty drugs in the
76.6 Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than
76.7 30 days or a new generic or biosimilar drug with a price that is greater than the tier threshold
76.8 established by the Centers for Medicare and Medicaid Services for specialty drugs in the
76.9 Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than
76.10 30 days and is not at least 15 percent lower than the referenced brand name drug when the
76.11 generic or biosimilar drug is launched, the manufacturer must submit to the commissioner,
76.12 in the form and manner prescribed by the commissioner, the following information, if
76.13 applicable:

76.14 (1) the description of the drug, with the following listed separately:

76.15 (i) the national drug code;

76.16 (ii) the product name;

76.17 (iii) the dosage form;

76.18 (iv) the strength; and

76.19 (v) the package size;

76.20 ~~(1)~~ (2) the price of the prescription drug;

76.21 ~~(2)~~ (3) whether the Food and Drug Administration granted the new prescription drug a
76.22 breakthrough therapy designation or a priority review;

76.23 ~~(3)~~ (4) the direct costs incurred by the manufacturer that are associated with the
76.24 prescription drug, listed separately:

76.25 (i) to manufacture the prescription drug;

76.26 (ii) to market the prescription drug, including advertising costs; and

76.27 (iii) to distribute the prescription drug; and

76.28 ~~(4)~~ (5) the patent expiration date of the drug if it is under patent.

76.29 (b) The manufacturer may submit documentation necessary to support the information
76.30 reported under this subdivision.

77.1 Sec. 11. Minnesota Statutes 2022, section 62J.84, subdivision 6, is amended to read:

77.2 Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner
77.3 shall post on the department's website, or may contract with a private entity or consortium
77.4 that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the
77.5 following information:

77.6 (1) a list of the prescription drugs reported under subdivisions 3, 4, and ~~5~~, 11 to 14 and
77.7 the manufacturers of those prescription drugs; and

77.8 (2) information reported to the commissioner under subdivisions 3, 4, and ~~5~~ 11 to 14.

77.9 (b) The information must be published in an easy-to-read format and in a manner that
77.10 identifies the information that is disclosed on a per-drug basis and must not be aggregated
77.11 in a manner that prevents the identification of the prescription drug.

77.12 (c) The commissioner shall not post to the department's website or a private entity
77.13 contracting with the commissioner shall not post any information described in this section
77.14 if the information is not public data under section 13.02, subdivision 8a; or is trade secret
77.15 information under section 13.37, subdivision 1, paragraph (b); or is trade secret information
77.16 pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section
77.17 1836, as amended. If a ~~manufacturer~~ reporting entity believes information should be withheld
77.18 from public disclosure pursuant to this paragraph, the ~~manufacturer~~ reporting entity must
77.19 clearly and specifically identify that information and describe the legal basis in writing
77.20 when the ~~manufacturer~~ reporting entity submits the information under this section. If the
77.21 commissioner disagrees with the ~~manufacturer's~~ reporting entity's request to withhold
77.22 information from public disclosure, the commissioner shall provide the ~~manufacturer~~
77.23 reporting entity written notice that the information will be publicly posted 30 days after the
77.24 date of the notice.

77.25 (d) If the commissioner withholds any information from public disclosure pursuant to
77.26 this subdivision, the commissioner shall post to the department's website a report describing
77.27 the nature of the information and the commissioner's basis for withholding the information
77.28 from disclosure.

77.29 (e) To the extent the information required to be posted under this subdivision is collected
77.30 and made available to the public by another state, by the University of Minnesota, or through
77.31 an online drug pricing reference and analytical tool, the commissioner may reference the
77.32 availability of this drug price data from another source including, within existing
77.33 appropriations, creating the ability of the public to access the data from the source for
77.34 purposes of meeting the reporting requirements of this subdivision.

78.1 Sec. 12. Minnesota Statutes 2022, section 62J.84, subdivision 7, is amended to read:

78.2 Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or
78.3 consortium that satisfies the standards of section 62U.04, subdivision 6, the University of
78.4 Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format
78.5 of the information reported under this section; in posting information pursuant to subdivision
78.6 6; and in taking any other action for the purpose of implementing this section.

78.7 (b) The commissioner may consult with representatives of the ~~manufacturers~~ reporting
78.8 entities to establish a standard format for reporting information under this section and may
78.9 use existing reporting methodologies to establish a standard format to minimize
78.10 administrative burdens to the state and ~~manufacturers~~ reporting entities.

78.11 Sec. 13. Minnesota Statutes 2022, section 62J.84, subdivision 8, is amended to read:

78.12 Subd. 8. **Enforcement and penalties.** (a) A ~~manufacturer~~ reporting entity may be subject
78.13 to a civil penalty, as provided in paragraph (b), for:

78.14 (1) failing to register under subdivision 15;

78.15 ~~(1)~~ (2) failing to submit timely reports or notices as required by this section;

78.16 ~~(2)~~ (3) failing to provide information required under this section; or

78.17 ~~(3)~~ (4) providing inaccurate or incomplete information under this section.

78.18 (b) The commissioner shall adopt a schedule of civil penalties, not to exceed \$10,000
78.19 per day of violation, based on the severity of each violation.

78.20 (c) The commissioner shall impose civil penalties under this section as provided in
78.21 section 144.99, subdivision 4.

78.22 (d) The commissioner may remit or mitigate civil penalties under this section upon terms
78.23 and conditions the commissioner considers proper and consistent with public health and
78.24 safety.

78.25 (e) Civil penalties collected under this section shall be deposited in the health care access
78.26 fund.

78.27 Sec. 14. Minnesota Statutes 2022, section 62J.84, subdivision 9, is amended to read:

78.28 Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each
78.29 year thereafter, the commissioner shall report to the chairs and ranking minority members
78.30 of the legislative committees with jurisdiction over commerce and health and human services

79.1 policy and finance on the implementation of this section, including but not limited to the
79.2 effectiveness in addressing the following goals:

79.3 (1) promoting transparency in pharmaceutical pricing for the state and other payers;

79.4 (2) enhancing the understanding on pharmaceutical spending trends; and

79.5 (3) assisting the state and other payers in the management of pharmaceutical costs.

79.6 (b) The report must include a summary of the information submitted to the commissioner
79.7 under subdivisions 3, 4, and ~~5~~ 11 to 14.

79.8 Sec. 15. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
79.9 read:

79.10 Subd. 10. Notice of prescription drugs of substantial public interest. (a) No later than
79.11 January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the
79.12 department's website a list of prescription drugs that the commissioner determines to represent
79.13 a substantial public interest and for which the commissioner intends to request data under
79.14 subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion
79.15 of prescription drugs on any information the commissioner determines is relevant to providing
79.16 greater consumer awareness of the factors contributing to the cost of prescription drugs in
79.17 the state, and the commissioner shall consider drug product families that include prescription
79.18 drugs:

79.19 (1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

79.20 (2) for which average claims paid amounts exceeded 125 percent of the price as of the
79.21 claim incurred date during the most recent calendar quarter for which claims paid amounts
79.22 are available; or

79.23 (3) that are identified by members of the public during a public comment process.

79.24 (b) Not sooner than 30 days after publicly posting the list of prescription drugs under
79.25 paragraph (a), the department shall notify, via email, reporting entities registered with the
79.26 department of the requirement to report under subdivisions 11 to 14.

79.27 (c) The commissioner must not designate more than 500 prescription drugs as having a
79.28 substantial public interest in any one notice.

80.1 Sec. 16. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
80.2 read:

80.3 Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a)
80.4 Beginning January 1, 2024, a manufacturer must submit to the commissioner the information
80.5 described in paragraph (b) for any prescription drug:

80.6 (1) included in a notification to report issued to the manufacturer by the department
80.7 under subdivision 10;

80.8 (2) which the manufacturer manufactures or repackages;

80.9 (3) for which the manufacturer sets the wholesale acquisition cost; and

80.10 (4) for which the manufacturer has not submitted data under subdivision 3 during the
80.11 120-day period prior to the date of the notification to report.

80.12 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
80.13 the commissioner no later than 60 days after the date of the notification to report, in the
80.14 form and manner prescribed by the commissioner, the following information, if applicable:

80.15 (1) a description of the drug with the following listed separately:

80.16 (i) the national drug code;

80.17 (ii) the product name;

80.18 (iii) the dosage form;

80.19 (iv) the strength; and

80.20 (v) the package size;

80.21 (2) the price of the drug product on the later of:

80.22 (i) the day one year prior to the date of the notification to report;

80.23 (ii) the introduced to market date; or

80.24 (iii) the acquisition date;

80.25 (3) the price of the drug product on the date of the notification to report;

80.26 (4) the introductory price of the prescription drug when it was introduced for sale in the
80.27 United States and the price of the drug on the last day of each of the five calendar years
80.28 preceding the date of the notification to report;

80.29 (5) the direct costs incurred during the 12-month period prior to the date of the notification
80.30 to report by the manufacturers that are associated with the prescription drug, listed separately:

- 81.1 (i) to manufacture the prescription drug;
- 81.2 (ii) to market the prescription drug, including advertising costs; and
- 81.3 (iii) to distribute the prescription drug;
- 81.4 (6) the number of units of the prescription drug sold during the 12-month period prior
81.5 to the date of the notification to report;
- 81.6 (7) the total sales revenue for the prescription drug during the 12-month period prior to
81.7 the date of the notification to report;
- 81.8 (8) the total rebate payable amount accrued for the prescription drug during the 12-month
81.9 period prior to the date of the notification to report;
- 81.10 (9) the manufacturer's net profit attributable to the prescription drug during the 12-month
81.11 period prior to the date of the notification to report;
- 81.12 (10) the total amount of financial assistance the manufacturer has provided through
81.13 patient prescription assistance programs during the 12-month period prior to the date of the
81.14 notification to report, if applicable;
- 81.15 (11) any agreement between a manufacturer and another entity contingent upon any
81.16 delay in offering to market a generic version of the prescription drug;
- 81.17 (12) the patent expiration date of the prescription drug if the prescription drug is under
81.18 patent;
- 81.19 (13) the name and location of the company that manufactured the drug;
- 81.20 (14) if the prescription drug is a brand name prescription drug, the ten countries other
81.21 than the United States that paid the highest prices for the prescription drug during the
81.22 previous calendar year and their prices; and
- 81.23 (15) if the prescription drug was acquired by the manufacturer within a 12-month period
81.24 prior to the date of the notification to report, all of the following information:
- 81.25 (i) the price at acquisition;
- 81.26 (ii) the price in the calendar year prior to acquisition;
- 81.27 (iii) the name of the company from which the drug was acquired;
- 81.28 (iv) the date of acquisition; and
- 81.29 (v) the acquisition price.

82.1 (c) The manufacturer may submit any documentation necessary to support the information
82.2 reported under this subdivision.

82.3 Sec. 17. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
82.4 read:

82.5 Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a)
82.6 Beginning January 1, 2024, a pharmacy must submit to the commissioner the information
82.7 described in paragraph (b) for any prescription drug included in a notification to report
82.8 issued to the pharmacy by the department under subdivision 10.

82.9 (b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the
82.10 commissioner no later than 60 days after the date of the notification to report, in the form
82.11 and manner prescribed by the commissioner, the following information, if applicable:

82.12 (1) a description of the drug with the following listed separately:

82.13 (i) the national drug code;

82.14 (ii) the product name;

82.15 (iii) the dosage form;

82.16 (iv) the strength; and

82.17 (v) the package size;

82.18 (2) the number of units of the drug acquired during the 12-month period prior to the date
82.19 of the notification to report;

82.20 (3) the total spent before rebates by the pharmacy to acquire the drug during the 12-month
82.21 period prior to the date of the notification to report;

82.22 (4) the total rebate receivable amount accrued by the pharmacy for the drug during the
82.23 12-month period prior to the date of the notification to report;

82.24 (5) the number of pricing units of the drug dispensed by the pharmacy during the
82.25 12-month period prior to the date of the notification to report;

82.26 (6) the total payment receivable by the pharmacy for dispensing the drug including
82.27 ingredient cost, dispensing fee, and administrative fees during the 12-month period prior
82.28 to the date of the notification to report;

82.29 (7) the total rebate payable amount accrued by the pharmacy for the drug during the
82.30 12-month period prior to the date of the notification to report; and

83.1 (8) the average cash price paid by consumers per pricing unit for prescriptions dispensed
 83.2 where no claim was submitted to a health care service plan or health insurer during the
 83.3 12-month period prior to the date of the notification to report.

83.4 (c) The pharmacy may submit any documentation necessary to support the information
 83.5 reported under this subdivision.

83.6 (d) The commissioner may grant extensions, exemptions, or both to compliance with
 83.7 the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance
 83.8 with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy.
 83.9 The commissioner may establish procedures for small or independent pharmacies to request
 83.10 extensions or exemptions under this paragraph.

83.11 Sec. 18. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
 83.12 read:

83.13 Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning
 83.14 January 1, 2024, a PBM must submit to the commissioner the information described in
 83.15 paragraph (b) for any prescription drug included in a notification to report issued to the
 83.16 PBM by the department under subdivision 10.

83.17 (b) For each of the drugs described in paragraph (a), the PBM shall submit to the
 83.18 commissioner no later than 60 days after the date of the notification to report, in the form
 83.19 and manner prescribed by the commissioner, the following information, if applicable:

83.20 (1) a description of the drug with the following listed separately:

83.21 (i) the national drug code;

83.22 (ii) the product name;

83.23 (iii) the dosage form;

83.24 (iv) the strength; and

83.25 (v) the package size;

83.26 (2) the number of pricing units of the drug product filled for which the PBM administered
 83.27 claims during the 12-month period prior to the date of the notification to report;

83.28 (3) the total reimbursement amount accrued and payable to pharmacies for pricing units
 83.29 of the drug product filled for which the PBM administered claims during the 12-month
 83.30 period prior to the date of the notification to report;

84.1 (4) the total reimbursement or administrative fee amount, or both, accrued and receivable
 84.2 from payers for pricing units of the drug product filled for which the PBM administered
 84.3 claims during the 12-month period prior to the date of the notification to report;

84.4 (5) the total rebate receivable amount accrued by the PBM for the drug product during
 84.5 the 12-month period prior to the date of the notification to report; and

84.6 (6) the total rebate payable amount accrued by the PBM for the drug product during the
 84.7 12-month period prior to the date of the notification to report.

84.8 (c) The PBM may submit any documentation necessary to support the information
 84.9 reported under this subdivision.

84.10 Sec. 19. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
 84.11 read:

84.12 **Subd. 14. Wholesale drug distributor prescription drug substantial public interest**
 84.13 **reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor must submit to the
 84.14 commissioner the information described in paragraph (b) for any prescription drug included
 84.15 in a notification to report issued to the wholesale drug distributor by the department under
 84.16 subdivision 10.

84.17 (b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall
 84.18 submit to the commissioner no later than 60 days after the date of the notification to report,
 84.19 in the form and manner prescribed by the commissioner, the following information, if
 84.20 applicable:

84.21 (1) a description of the drug with the following listed separately:

84.22 (i) the national drug code;

84.23 (ii) the product name;

84.24 (iii) the dosage form;

84.25 (iv) the strength; and

84.26 (v) the package size;

84.27 (2) the number of units of the drug product acquired by the wholesale drug distributor
 84.28 during the 12-month period prior to the date of the notification to report;

84.29 (3) the total spent before rebates by the wholesale drug distributor to acquire the drug
 84.30 product during the 12-month period prior to the date of the notification to report;

85.1 (4) the total rebate receivable amount accrued by the wholesale drug distributor for the
85.2 drug product during the 12-month period prior to the date of the notification to report;

85.3 (5) the number of units of the drug product sold by the wholesale drug distributor during
85.4 the 12-month period prior to the date of the notification to report;

85.5 (6) gross revenue from sales in the United States generated by the wholesale drug
85.6 distributor for this drug product during the 12-month period prior to the date of the
85.7 notification to report; and

85.8 (7) total rebate payable amount accrued by the wholesale drug distributor for the drug
85.9 product during the 12-month period prior to the date of the notification to report.

85.10 (c) The wholesale drug distributor may submit any documentation necessary to support
85.11 the information reported under this subdivision.

85.12 Sec. 20. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
85.13 read:

85.14 Subd. 15. **Registration requirements.** Beginning January 1, 2024, a reporting entity
85.15 subject to this chapter shall register with the department in a form and manner prescribed
85.16 by the commissioner.

85.17 Sec. 21. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to
85.18 read:

85.19 Subd. 16. **Rulemaking.** For the purposes of this section, the commissioner may use the
85.20 expedited rulemaking process under section 14.389.

85.21 Sec. 22. Minnesota Statutes 2022, section 62K.10, subdivision 4, is amended to read:

85.22 Subd. 4. **Network adequacy.** (a) Each designated provider network must include a
85.23 sufficient number and type of providers, including providers that specialize in mental health
85.24 and substance use disorder services, to ensure that covered services are available to all
85.25 enrollees without unreasonable delay. In determining network adequacy, the commissioner
85.26 of health shall consider availability of services, including the following:

85.27 (1) primary care physician services are available and accessible 24 hours per day, seven
85.28 days per week, within the network area;

85.29 (2) a sufficient number of primary care physicians have hospital admitting privileges at
85.30 one or more participating hospitals within the network area so that necessary admissions
85.31 are made on a timely basis consistent with generally accepted practice parameters;

86.1 (3) specialty physician service is available through the network or contract arrangement;

86.2 (4) mental health and substance use disorder treatment providers, including but not
86.3 limited to psychiatric residential treatment facilities, are available and accessible through
86.4 the network or contract arrangement;

86.5 (5) to the extent that primary care services are provided through primary care providers
86.6 other than physicians, and to the extent permitted under applicable scope of practice in state
86.7 law for a given provider, these services shall be available and accessible; and

86.8 (6) the network has available, either directly or through arrangements, appropriate and
86.9 sufficient personnel, physical resources, and equipment to meet the projected needs of
86.10 enrollees for covered health care services.

86.11 (b) The commissioner may establish sufficiency by referencing any reasonable criteria,
86.12 which include but are not limited to:

86.13 (1) ratios of providers to enrollees by specialty;

86.14 (2) ratios of primary care professionals to enrollees;

86.15 (3) geographic accessibility of providers;

86.16 (4) waiting times for an appointment with participating providers;

86.17 (5) hours of operation;

86.18 (6) the ability of the network to meet the needs of enrollees that are:

86.19 (i) low-income persons;

86.20 (ii) children and adults with serious, chronic, or complex health conditions, physical
86.21 disabilities, or mental illness; or

86.22 (iii) persons with limited English proficiency and persons from underserved communities;

86.23 (7) other health care service delivery system options, including telemedicine or telehealth,
86.24 mobile clinics, centers of excellence, and other ways of delivering care; and

86.25 (8) the volume of technological and specialty care services available to serve the needs
86.26 of enrollees that need technologically advanced or specialty care services.

86.27 **EFFECTIVE DATE; APPLICATION.** Paragraph (a) is effective July 1, 2023.

86.28 Paragraph (b) is effective January 1, 2025, and applies to health plans offered, issued, or
86.29 renewed on or after that date. This section supercedes S.F. No. 2744, article 2, section 39,
86.30 if enacted in the 2023 legislative session.

87.1 Sec. 23. Minnesota Statutes 2022, section 62Q.01, is amended by adding a subdivision to
87.2 read:

87.3 Subd. 6b. **No Surprises Act.** "No Surprises Act" means Division BB of the Consolidated
87.4 Appropriations Act, 2021, which amended Title XXVII of the Public Health Service Act,
87.5 Public Law 116-260, and any amendments to and any federal guidance or regulations issued
87.6 under this act.

87.7 Sec. 24. Minnesota Statutes 2022, section 62Q.021, is amended by adding a subdivision
87.8 to read:

87.9 Subd. 3. **Compliance with 2021 federal law.** Each health plan company, health provider,
87.10 and health facility shall comply with the No Surprises Act, including any federal regulations
87.11 adopted under the act, to the extent that the act imposes requirements that apply in this state
87.12 but are not required under the laws of this state. This subdivision does not require compliance
87.13 with any provision of the No Surprises Act before the effective date provided for that
87.14 provision in the No Surprises Act. The commissioner shall enforce this subdivision.

87.15 Sec. 25. [62Q.451] **UNRESTRICTED ACCESS TO SERVICES FOR THE**
87.16 **DIAGNOSIS, MONITORING, AND TREATMENT OF RARE DISEASES.**

87.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
87.18 the meanings given.

87.19 (b) "Rare disease or condition" means any disease or condition:

87.20 (1) that affects fewer than 200,000 persons in the United States and is chronic, serious,
87.21 life-altering, or life-threatening;

87.22 (2) that affects more than 200,000 persons in the United States and a drug for treatment
87.23 has been designated as a drug for a rare disease or condition pursuant to United States Code,
87.24 title 21, section 360bb;

87.25 (3) that is labeled as a rare disease or condition on the Genetic and Rare Diseases
87.26 Information Center list created by the National Institutes of Health; or

87.27 (4) for which an enrollee:

87.28 (i) has received two or more clinical consultations from a primary care provider or
87.29 specialty provider that are specific to the presenting complaint;

88.1 (ii) has documentation in the enrollee's medical record of a developmental delay through
88.2 standardized assessment, developmental regression, failure to thrive, or progressive
88.3 multisystemic involvement; and

88.4 (iii) had laboratory or clinical testing that failed to provide a definitive diagnosis or
88.5 resulted in conflicting diagnoses.

88.6 A rare disease or condition does not include an infectious disease that has widely available
88.7 and known protocols for diagnosis and treatment and that is commonly treated in a primary
88.8 care setting, even if it affects less than 200,000 persons in the United States.

88.9 Subd. 2. Unrestricted access. (a) No health plan company may restrict the choice of an
88.10 enrollee as to where the enrollee receives services from a licensed health care provider
88.11 related to the diagnosis, monitoring, and treatment of a rare disease or condition, including
88.12 but not limited to additional restrictions through any prior authorization, preauthorization,
88.13 prior approval, precertification process, increased fees, or other methods.

88.14 (b) Any services provided by, referred for, or ordered by an out-of-network provider for
88.15 an enrollee who, before receiving and being notified of a definitive diagnosis, satisfied the
88.16 requirements in subdivision 1, paragraph (b), clause (4), are governed by paragraph (c),
88.17 even if the subsequent definitive diagnosis does not meet the definition of rare disease or
88.18 condition in subdivision 1, paragraph (b), clause (1), (2), or (3). Once the enrollee is
88.19 definitively diagnosed with a disease or condition that does not meet the definition of rare
88.20 disease or condition in subdivision 1, paragraph (b), clause (1), (2), or (3), and notification
88.21 of the diagnosis has been provided to both the health plan and the enrollee, or a parent or
88.22 guardian of a minor enrollee, any services provided by, referred for, or ordered by an
88.23 out-of-network provider related to the diagnosis are governed by paragraph (c) for up to 60
88.24 days, providing time for care to be transferred to a qualified in-network provider and to
88.25 schedule needed in-network appointments. After this 60-day period, subsequent services
88.26 provided by, referred for, or ordered by an out-of-network provider related to the diagnosis
88.27 are no longer governed by paragraph (c).

88.28 (c) Cost-sharing requirements and benefit or services limitations for the diagnosis and
88.29 treatment of a rare disease or condition must not place a greater financial burden on the
88.30 enrollee or be more restrictive than those requirements for in-network medical treatment.

88.31 (d) A health plan company must provide enrollees with written information on the content
88.32 and application of this section and must train customer service representatives on the content
88.33 and application of this section.

89.1 Subd. 3. Coverage; prior authorization. (a) Nothing in this section requires a health
89.2 plan company to provide coverage for a medication, procedure or treatment, or laboratory
89.3 or clinical testing, that is not covered under the enrollee's health plan.

89.4 (b) Coverage for a service must not be denied solely on the basis that it was provided
89.5 by, referred for, or ordered by an out-of-network provider.

89.6 (c) Any prior authorization requirements for a service that is provided by, referred for,
89.7 or ordered by an out-of-network provider must be the same as any prior authorization
89.8 requirements for a service that is provided by, referred for, or ordered by an in-network
89.9 provider.

89.10 (d) Subject to the requirements of this section and chapter 62W, a health plan may require
89.11 use of a specialty pharmacy, as defined in section 62W.02, subdivision 20.

89.12 Subd. 4. Payments to out-of-network providers for services provided in this state. (a)
89.13 If a health plan company has an established contractual payment under a health plan in the
89.14 commercial insurance market with an out-of-network provider for a service provided in
89.15 Minnesota related to the diagnosis, monitoring, and treatment of a rare disease or condition,
89.16 across any of the health plan's networks, then the provider shall accept the established
89.17 contractual payment for that service as payment in full.

89.18 (b) If a health plan company does not have an established contractual payment under a
89.19 health plan in the commercial insurance market with an out-of-network provider for a service
89.20 provided in Minnesota related to the diagnosis, monitoring, and treatment of a rare disease
89.21 or condition, across any of the health plan's networks, then the provider shall accept:

89.22 (1) the provider's established rate for uninsured patients for that service as payment in
89.23 full; or

89.24 (2) if the provider does not have an established rate for uninsured patients for that service,
89.25 then the average commercial insurance rate the health plan company has paid for that service
89.26 in this state over the past 12 months as payment in full.

89.27 (d) If the payment amount is determined under paragraph (b), clause (2), and the health
89.28 plan company has not paid for that service in this state within the past 12 months, then the
89.29 health plan company shall pay the lesser of the following:

89.30 (1) the average rate in the commercial insurance market the health plan company paid
89.31 for that service across all states over the past 12 months; or

89.32 (2) the provider's standard charge.

90.1 (e) This subdivision does not apply to managed care organizations or county-based
 90.2 purchasing plans when the plan provides coverage to public health care program enrollees
 90.3 under chapters 256B or 256L.

90.4 **Subd. 5. Payments to out-of-network providers when services are provided outside**
 90.5 **of the state.** (a) If a health plan company has an established contractual payment under a
 90.6 health plan in the commercial insurance market with an out-of-network provider for a service
 90.7 provided in another state related to the diagnosis, monitoring, and treatment of a rare disease
 90.8 or condition, across any of the health plan's networks in the state where the service is
 90.9 provided, then the health plan company shall pay the established contractual payment for
 90.10 that service.

90.11 (b) If a health plan company does not have an established contractual payment under a
 90.12 health plan in the commercial insurance market with an out-of-network provider for a service
 90.13 provided in another state related to the diagnosis, monitoring, and treatment of a rare disease
 90.14 or condition, across any of the health plan's networks in the state where the service is
 90.15 provided, then the health plan company shall pay:

90.16 (1) the provider's established rate for uninsured patients for that service; or

90.17 (2) if the provider does not have an established rate for uninsured patients for that service,
 90.18 then the average commercial insurance rate the health plan company has paid for that service
 90.19 in the state where the service is provided over the past 12 months.

90.20 (c) If the payment amount is determined under paragraph (b), clause (2), and the health
 90.21 plan company has not paid for that service in the state where the service is provided within
 90.22 the past 12 months, then the health plan company shall pay the lesser of the following:

90.23 (1) the average commercial insurance rate the health plan company has paid for that
 90.24 service across all states over the last 12 months; or

90.25 (2) the provider's standard charge.

90.26 (d) This subdivision does not apply to managed care organizations or county-based
 90.27 purchasing plans when the plan provides coverage to public health care program enrollees
 90.28 under chapter 256B or 256L.

90.29 **Subd. 6. Exclusion.** This section does not apply to medications obtained from a retail
 90.30 pharmacy as defined in section 62W.02, subdivision 18.

90.31 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to health
 90.32 plans offered, issued, or renewed on or after that date.

91.1 Sec. 26. **[62Q.473] BIOMARKER TESTING.**

91.2 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this
91.3 subdivision have the meanings given.

91.4 (b) "Biomarker" means a characteristic that is objectively measured and evaluated as an
91.5 indicator of normal biological processes, pathogenic processes, or pharmacologic responses
91.6 to a specific therapeutic intervention, including but not limited to known gene-drug
91.7 interactions for medications being considered for use or already being administered.
91.8 Biomarkers include but are not limited to gene mutations, characteristics of genes, or protein
91.9 expression.

91.10 (c) "Biomarker testing" means the analysis of an individual's tissue, blood, or other
91.11 biospecimen for the presence of a biomarker. Biomarker testing includes but is not limited
91.12 to single-analyst tests; multiplex panel tests; protein expression; and whole exome, whole
91.13 genome, and whole transcriptome sequencing.

91.14 (d) "Clinical utility" means a test provides information that is used to formulate a
91.15 treatment or monitoring strategy that informs a patient's outcome and impacts the clinical
91.16 decision. The most appropriate test may include information that is actionable and some
91.17 information that cannot be immediately used to formulate a clinical decision.

91.18 (e) "Consensus statement" means a statement that: (1) describes optimal clinical care
91.19 outcomes, based on the best available evidence, for a specific clinical circumstance; and
91.20 (2) is developed by an independent, multidisciplinary panel of experts that: (i) uses a rigorous
91.21 and validated development process that includes a transparent methodology and reporting
91.22 structure; and (ii) strictly adheres to the panel's conflict of interest policy.

91.23 (f) "Nationally recognized clinical practice guideline" means an evidence-based clinical
91.24 practice guideline that: (1) establishes a standard of care informed by (i) a systematic review
91.25 of evidence, and (ii) an assessment of the risks and benefits of alternative care options; and
91.26 (2) is developed by an independent organization or medical professional society that: (i)
91.27 uses a transparent methodology and reporting structure; and (ii) adheres to a conflict of
91.28 interest policy. Nationally recognized clinical practice guideline includes recommendations
91.29 to optimize patient care.

91.30 Subd. 2. Biomarker testing; coverage required. (a) A health plan must provide coverage
91.31 for biomarker testing to diagnose, treat, manage, and monitor illness or disease if the test
91.32 provides clinical utility. For purposes of this section, a test's clinical utility may be
91.33 demonstrated by medical and scientific evidence, including but not limited to:

- 92.1 (1) nationally recognized clinical practice guidelines as defined in this section;
- 92.2 (2) consensus statements as defined in this section;
- 92.3 (3) labeled indications for a United States Food and Drug Administration (FDA) approved
- 92.4 or FDA-cleared test, indicated tests for an FDA-approved drug, or adherence to warnings
- 92.5 and precautions on FDA-approved drug labels; or
- 92.6 (4) Centers for Medicare and Medicaid Services national coverage determinations or
- 92.7 Medicare Administrative Contractor local coverage determinations.
- 92.8 (b) Coverage under this section must be provided in a manner that limits disruption of
- 92.9 care, including the need for multiple biopsies or biospecimen samples.
- 92.10 (c) Nothing in this section prohibits a health plan company from requiring a prior
- 92.11 authorization or imposing other utilization controls when approving coverage for biomarker
- 92.12 testing.
- 92.13 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to health
- 92.14 plans offered, issued, or renewed on or after that date.
- 92.15 Sec. 27. **[62Q.522] COVERAGE OF CONTRACEPTIVE METHODS AND**
- 92.16 **SERVICES.**
- 92.17 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.
- 92.18 (b) "Closely held for-profit entity" means an entity that:
- 92.19 (1) is not a nonprofit entity;
- 92.20 (2) has more than 50 percent of the value of its ownership interest owned directly or
- 92.21 indirectly by five or fewer owners; and
- 92.22 (3) has no publicly traded ownership interest.
- 92.23 For purposes of this paragraph:
- 92.24 (i) ownership interests owned by a corporation, partnership, limited liability company,
- 92.25 estate, trust, or similar entity are considered owned by that entity's shareholders, partners,
- 92.26 members, or beneficiaries in proportion to their interest held in the corporation, partnership,
- 92.27 limited liability company, estate, trust, or similar entity;
- 92.28 (ii) ownership interests owned by a nonprofit entity are considered owned by a single
- 92.29 owner;

93.1 (iii) ownership interests owned by all individuals in a family are considered held by a
93.2 single owner. For purposes of this item, "family" means brothers and sisters, including
93.3 half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

93.4 (iv) if an individual or entity holds an option, warrant, or similar right to purchase an
93.5 ownership interest, the individual or entity is considered to be the owner of those ownership
93.6 interests.

93.7 (c) "Contraceptive method" means a drug, device, or other product approved by the Food
93.8 and Drug Administration to prevent unintended pregnancy.

93.9 (d) "Contraceptive service" means consultation, examination, procedures, and medical
93.10 services related to the prevention of unintended pregnancy, excluding vasectomies. This
93.11 includes but is not limited to voluntary sterilization procedures, patient education, counseling
93.12 on contraceptives, and follow-up services related to contraceptive methods or services,
93.13 management of side effects, counseling for continued adherence, and device insertion or
93.14 removal.

93.15 (e) "Eligible organization" means an organization that opposes providing coverage for
93.16 some or all contraceptive methods or services on account of religious objections and that
93.17 is:

93.18 (1) organized as a nonprofit entity and holds itself out to be religious; or

93.19 (2) organized and operates as a closely held for-profit entity, and the organization's
93.20 owners or highest governing body has adopted, under the organization's applicable rules of
93.21 governance and consistent with state law, a resolution or similar action establishing that the
93.22 organization objects to covering some or all contraceptive methods or services on account
93.23 of the owners' sincerely held religious beliefs.

93.24 (f) "Exempt organization" means an organization that is organized and operates as a
93.25 nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal
93.26 Revenue Code of 1986, as amended.

93.27 (g) "Medical necessity" includes but is not limited to considerations such as severity of
93.28 side effects, difference in permanence and reversibility of a contraceptive method or service,
93.29 and ability to adhere to the appropriate use of the contraceptive method or service, as
93.30 determined by the attending provider.

93.31 (h) "Therapeutic equivalent version" means a drug, device, or product that can be expected
93.32 to have the same clinical effect and safety profile when administered to a patient under the
93.33 conditions specified in the labeling, and that:

94.1 (1) is approved as safe and effective;

94.2 (2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active
94.3 drug ingredient in the same dosage form and route of administration; and (ii) meeting
94.4 compendial or other applicable standards of strength, quality, purity, and identity;

94.5 (3) is bioequivalent in that:

94.6 (i) the drug, device, or product does not present a known or potential bioequivalence
94.7 problem and meets an acceptable in vitro standard; or

94.8 (ii) if the drug, device, or product does present a known or potential bioequivalence
94.9 problem, it is shown to meet an appropriate bioequivalence standard;

94.10 (4) is adequately labeled; and

94.11 (5) is manufactured in compliance with current manufacturing practice regulations.

94.12 Subd. 2. **Required coverage; cost sharing prohibited.** (a) A health plan must provide
94.13 coverage for contraceptive methods and services.

94.14 (b) A health plan company must not impose cost-sharing requirements, including co-pays,
94.15 deductibles, or coinsurance, for contraceptive methods or services.

94.16 (c) A health plan company must not impose any referral requirements, restrictions, or
94.17 delays for contraceptive methods or services.

94.18 (d) A health plan must include at least one of each type of Food and Drug Administration
94.19 approved contraceptive method in its formulary. If more than one therapeutic equivalent
94.20 version of a contraceptive method is approved, a health plan must include at least one
94.21 therapeutic equivalent version in its formulary, but is not required to include all therapeutic
94.22 equivalent versions.

94.23 (e) For each health plan, a health plan company must list the contraceptive methods and
94.24 services that are covered without cost-sharing in a manner that is easily accessible to
94.25 enrollees, health care providers, and representatives of health care providers. The list for
94.26 each health plan must be promptly updated to reflect changes to the coverage.

94.27 (f) If an enrollee's attending provider recommends a particular contraceptive method or
94.28 service based on a determination of medical necessity for that enrollee, the health plan must
94.29 cover that contraceptive method or service without cost-sharing. The health plan company
94.30 issuing the health plan must defer to the attending provider's determination that the particular
94.31 contraceptive method or service is medically necessary for the enrollee.

95.1 Subd. 3. **Exemption.** (a) An exempt organization is not required to cover contraceptives
95.2 or contraceptive services if the exempt organization has religious objections to the coverage.
95.3 An exempt organization that chooses to not provide coverage for some or all contraceptives
95.4 and contraceptive services must notify employees as part of the hiring process and to all
95.5 employees at least 30 days before:

95.6 (1) an employee enrolls in the health plan; or

95.7 (2) the effective date of the health plan, whichever occurs first.

95.8 (b) If the exempt organization provides coverage for some contraceptive methods or
95.9 services, the notice required under paragraph (a) must provide a list of the contraceptive
95.10 methods or services the organization refuses to cover.

95.11 Subd. 4. **Accommodation for eligible organizations.** (a) A health plan established or
95.12 maintained by an eligible organization complies with the requirements of subdivision 2 to
95.13 provide coverage of contraceptive methods and services, with respect to the contraceptive
95.14 methods or services identified in the notice under this paragraph, if the eligible organization
95.15 provides notice to any health plan company the eligible organization contracts with that it
95.16 is an eligible organization and that the eligible organization has a religious objection to
95.17 coverage for all or a subset of contraceptive methods or services.

95.18 (b) The notice from an eligible organization to a health plan company under paragraph
95.19 (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to
95.20 coverage for some or all of contraceptive methods or services, including a list of the
95.21 contraceptive methods or services the eligible organization objects to, if applicable; and (3)
95.22 the health plan name. The notice must be executed by a person authorized to provide notice
95.23 on behalf of the eligible organization.

95.24 (c) An eligible organization must provide a copy of the notice under paragraph (a) to
95.25 prospective employees as part of the hiring process and to all employees at least 30 days
95.26 before:

95.27 (1) an employee enrolls in the health plan; or

95.28 (2) the effective date of the health plan, whichever occurs first.

95.29 (d) A health plan company that receives a copy of the notice under paragraph (a) with
95.30 respect to a health plan established or maintained by an eligible organization must, for all
95.31 future enrollments in the health plan:

95.32 (1) expressly exclude coverage for those contraceptive methods or services identified
95.33 in the notice under paragraph (a) from the health plan; and

96.1 (2) provide separate payments for any contraceptive methods or services required to be
 96.2 covered under subdivision 2 for enrollees as long as the enrollee remains enrolled in the
 96.3 health plan.

96.4 (e) The health plan company must not impose any cost-sharing requirements, including
 96.5 co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or
 96.6 other charge for contraceptive services or methods on the eligible organization, health plan,
 96.7 or enrollee.

96.8 (f) On January 1, 2024, and every year thereafter a health plan company must notify the
 96.9 commissioner, in a manner determined by the commissioner, of the number of eligible
 96.10 organizations granted an accommodation under this subdivision.

96.11 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to coverage
 96.12 offered, sold, issued, or renewed on or after that date.

96.13 Sec. 28. **[62Q.523] COVERAGE FOR PRESCRIPTION CONTRACEPTIVES;**
 96.14 **SUPPLY REQUIREMENTS.**

96.15 Subdivision 1. **Scope of coverage.** Except as otherwise provided in section 62Q.522,
 96.16 subdivisions 3 and 4, all health plans that provide prescription coverage must comply with
 96.17 the requirements of this section.

96.18 Subd. 2. **Definition.** For purposes of this section, "prescription contraceptive" means
 96.19 any drug or device that requires a prescription and is approved by the Food and Drug
 96.20 Administration to prevent pregnancy. Prescription contraceptive does not include an
 96.21 emergency contraceptive drug that prevents pregnancy when administered after sexual
 96.22 contact.

96.23 Subd. 3. **Required coverage.** Health plan coverage for a prescription contraceptive must
 96.24 provide a 12-month supply for any prescription contraceptive if a 12-month supply is
 96.25 prescribed by the prescribing health care provider. The prescribing health care provider
 96.26 must determine the appropriate duration to prescribe the prescription contraceptives for up
 96.27 to 12 months.

96.28 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to coverage
 96.29 offered, sold, issued, or renewed on or after that date.

96.30 Sec. 29. Minnesota Statutes 2022, section 62Q.55, subdivision 5, is amended to read:

96.31 Subd. 5. **Coverage restrictions or limitations.** If emergency services are provided by
 96.32 a nonparticipating provider, with or without prior authorization, the health plan company

97.1 shall not impose coverage restrictions or limitations that are more restrictive than apply to
 97.2 emergency services received from a participating provider. Cost-sharing requirements that
 97.3 apply to emergency services received out-of-network must be the same as the cost-sharing
 97.4 requirements that apply to services received in-network and shall count toward the in-network
 97.5 deductible. All coverage and charges for emergency services must comply with the No
 97.6 Surprises Act.

97.7 Sec. 30. Minnesota Statutes 2022, section 62Q.556, is amended to read:

97.8 **62Q.556 UNAUTHORIZED PROVIDER SERVICES CONSUMER**
 97.9 **PROTECTIONS AGAINST BALANCE BILLING.**

97.10 Subdivision 1. ~~Unauthorized provider services~~ **Nonparticipating provider balance**
 97.11 **billing prohibition.** (a) Except as provided in paragraph (e), ~~unauthorized provider services~~
 97.12 ~~or~~ (b), balance billing is prohibited when an enrollee receives services from:

97.13 (1) ~~from a nonparticipating provider at a participating hospital or ambulatory surgical~~
 97.14 ~~center, when the services are rendered:~~ as described by the No Surprises Act, including any
 97.15 federal regulations adopted under that act;

97.16 ~~(i) due to the unavailability of a participating provider;~~

97.17 ~~(ii) by a nonparticipating provider without the enrollee's knowledge; or~~

97.18 ~~(iii) due to the need for unforeseen services arising at the time the services are being~~
 97.19 ~~rendered; or~~

97.20 (2) ~~from a participating provider that sends a specimen taken from the enrollee in the~~
 97.21 ~~participating provider's practice setting to a nonparticipating laboratory, pathologist, or other~~
 97.22 ~~medical testing facility; or~~

97.23 (3) a nonparticipating provider or facility providing emergency services as defined in
 97.24 section 62Q.55, subdivision 3, and other services as described in the requirements of the
 97.25 No Surprises Act.

97.26 ~~(b) Unauthorized provider services do not include emergency services as defined in~~
 97.27 ~~section 62Q.55, subdivision 3.~~

97.28 ~~(e)~~ (b) The services described in paragraph (a), ~~clause (2)~~ clauses (1), (2), and (3), as
 97.29 defined in the No Surprises Act, and any federal regulations adopted under that act, are not
 97.30 unauthorized provider services subject to balance billing if the enrollee gives advance written
 97.31 provides informed consent to prior to receiving services from the nonparticipating provider
 97.32 acknowledging that the use of a provider, or the services to be rendered, may result in costs

98.1 not covered by the health plan. The informed consent must comply with all requirements
 98.2 of the No Surprises Act, including any federal regulations adopted under that act.

98.3 Subd. 2. **Prohibition Cost-sharing requirements and independent dispute**
 98.4 **resolution.** (a) An enrollee's financial responsibility for the ~~unauthorized~~ nonparticipating
 98.5 provider services described in subdivision 1, paragraph (a), shall be the same cost-sharing
 98.6 requirements, including co-payments, deductibles, coinsurance, coverage restrictions, and
 98.7 coverage limitations, as those applicable to services received by the enrollee from a
 98.8 participating provider. A health plan company must apply any enrollee cost sharing
 98.9 requirements, including co-payments, deductibles, and coinsurance, for ~~unauthorized~~
 98.10 nonparticipating provider services to the enrollee's annual out-of-pocket limit to the same
 98.11 extent payments to a participating provider would be applied.

98.12 (b) A health plan company must attempt to negotiate the reimbursement, less any
 98.13 applicable enrollee cost sharing under paragraph (a), for the ~~unauthorized~~ nonparticipating
 98.14 provider services with the nonparticipating provider. If a ~~health plan company's and~~
 98.15 ~~nonparticipating provider's attempts~~ the attempt to negotiate reimbursement for the ~~health~~
 98.16 ~~care~~ nonparticipating provider services ~~do~~ does not result in a resolution, ~~the health plan~~
 98.17 ~~company or provider may elect to refer the matter for binding arbitration, chosen in~~
 98.18 ~~accordance with paragraph (c). A nondisclosure agreement must be executed by both parties~~
 98.19 ~~prior to engaging an arbitrator in accordance with this section. The cost of arbitration must~~
 98.20 ~~be shared equally between the parties.~~ either party may initiate the federal independent
 98.21 dispute resolution process pursuant to the No Surprises Act, including any federal regulations
 98.22 adopted under that act.

98.23 (c) ~~The commissioner of health, in consultation with the commissioner of the Bureau~~
 98.24 ~~of Mediation Services, must develop a list of professionals qualified in arbitration, for the~~
 98.25 ~~purpose of resolving disputes between a health plan company and nonparticipating provider~~
 98.26 ~~arising from the payment for unauthorized provider services. The commissioner of health~~
 98.27 ~~shall publish the list on the Department of Health website, and update the list as appropriate.~~

98.28 (d) ~~The arbitrator must consider relevant information, including the health plan company's~~
 98.29 ~~payments to other nonparticipating providers for the same services, the circumstances and~~
 98.30 ~~complexity of the particular case, and the usual and customary rate for the service based on~~
 98.31 ~~information available in a database in a national, independent, not-for-profit corporation,~~
 98.32 ~~and similar fees received by the provider for the same services from other health plans in~~
 98.33 ~~which the provider is nonparticipating, in reaching a decision.~~

99.1 Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2024, a health plan company
 99.2 must report annually to the commissioner of health:

99.3 (1) the total number of claims and total billed and paid amounts for nonparticipating
 99.4 provider services, by service and provider type, submitted to the health plan in the prior
 99.5 calendar year; and

99.6 (2) the total number of enrollee complaints received regarding the rights and protections
 99.7 established by the No Surprises Act in the prior calendar year.

99.8 (b) The commissioners of commerce and health shall develop the form and manner for
 99.9 health plan companies to comply with paragraph (a).

99.10 Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or
 99.11 facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject
 99.12 to the relevant provisions of the No Surprises Act is subject to the requirements of this
 99.13 section and section 62J.811.

99.14 (b) The commissioner of commerce or health shall enforce this section.

99.15 (c) If a health-related licensing board has cause to believe that a provider has violated
 99.16 this section, it may further investigate and enforce the provisions of this section pursuant
 99.17 to chapter 214.

99.18 Sec. 31. Minnesota Statutes 2022, section 62Q.56, subdivision 2, is amended to read:

99.19 **Subd. 2. **Change in health plans.**** (a) If an enrollee is subject to a change in health plans,
 99.20 the enrollee's new health plan company must provide, upon request, authorization to receive
 99.21 services that are otherwise covered under the terms of the new health plan through the
 99.22 enrollee's current provider:

99.23 (1) for up to 120 days if the enrollee is engaged in a current course of treatment for one
 99.24 or more of the following conditions:

99.25 (i) an acute condition;

99.26 (ii) a life-threatening mental or physical illness;

99.27 (iii) pregnancy ~~beyond the first trimester of pregnancy;~~

99.28 (iv) a physical or mental disability defined as an inability to engage in one or more major
 99.29 life activities, provided that the disability has lasted or can be expected to last for at least
 99.30 one year, or can be expected to result in death; or

99.31 (v) a disabling or chronic condition that is in an acute phase; or

100.1 (2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected
100.2 lifetime of 180 days or less.

100.3 For all requests for authorization under this paragraph, the health plan company must grant
100.4 the request for authorization unless the enrollee does not meet the criteria provided in this
100.5 paragraph.

100.6 (b) The health plan company shall prepare a written plan that provides a process for
100.7 coverage determinations regarding continuity of care of up to 120 days for new enrollees
100.8 who request continuity of care with their former provider, if the new enrollee:

100.9 (1) is receiving culturally appropriate services and the health plan company does not
100.10 have a provider in its preferred provider network with special expertise in the delivery of
100.11 those culturally appropriate services within the time and distance requirements of section
100.12 62D.124, subdivision 1; or

100.13 (2) does not speak English and the health plan company does not have a provider in its
100.14 preferred provider network who can communicate with the enrollee, either directly or through
100.15 an interpreter, within the time and distance requirements of section 62D.124, subdivision
100.16 1.

100.17 The written plan must explain the criteria that will be used to determine whether a need for
100.18 continuity of care exists and how it will be provided.

100.19 (c) This subdivision applies only to group coverage and continuation and conversion
100.20 coverage, and applies only to changes in health plans made by the employer.

100.21 Sec. 32. Minnesota Statutes 2022, section 62Q.73, subdivision 1, is amended to read:

100.22 Subdivision 1. **Definition.** For purposes of this section, "adverse determination" means:

100.23 (1) for individual health plans, a complaint decision relating to a health care service or
100.24 claim that is partially or wholly adverse to the complainant;

100.25 (2) an individual health plan that is grandfathered plan coverage may instead apply the
100.26 definition of adverse determination for group coverage in clause (3);

100.27 (3) for group health plans, a complaint decision relating to a health care service or claim
100.28 that has been appealed in accordance with section 62Q.70 and the appeal decision is partially
100.29 or wholly adverse to the complainant;

100.30 (4) any adverse determination, as defined in section 62M.02, subdivision 1a, that has
100.31 been appealed in accordance with section 62M.06 and the appeal did not reverse the adverse
100.32 determination;

101.1 (5) a decision relating to a health care service made by a health plan company licensed
101.2 under chapter 60A that denies the service on the basis that the service was not medically
101.3 necessary; ~~or~~

101.4 (6) the enrollee has met the requirements of subdivision 6, paragraph (e); or

101.5 (7) a decision relating to a health plan's coverage of nonparticipating provider services
101.6 as described in and subject to section 62Q.556, subdivision 1, paragraph (a).

101.7 An adverse determination does not include complaints relating to fraudulent marketing
101.8 practices or agent misrepresentation.

101.9 Sec. 33. Minnesota Statutes 2022, section 62Q.73, subdivision 7, is amended to read:

101.10 Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse
101.11 determination that does not require a medical necessity determination, the external review
101.12 must be based on whether the adverse determination was in compliance with the enrollee's
101.13 health benefit plan or section 62Q.556, subdivision 1, paragraph (a).

101.14 (b) For an external review of any issue in an adverse determination by a health plan
101.15 company licensed under chapter 62D that requires a medical necessity determination, the
101.16 external review must determine whether the adverse determination was consistent with the
101.17 definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

101.18 (c) For an external review of any issue in an adverse determination by a health plan
101.19 company, other than a health plan company licensed under chapter 62D, that requires a
101.20 medical necessity determination, the external review must determine whether the adverse
101.21 determination was consistent with the definition of medically necessary care in section
101.22 62Q.53, subdivision 2.

101.23 (d) For an external review of an adverse determination involving experimental or
101.24 investigational treatment, the external review entity must base its decision on all documents
101.25 submitted by the health plan company and enrollee, including:

101.26 (1) medical records;

101.27 (2) the recommendation of the attending physician, advanced practice registered nurse,
101.28 physician assistant, or health care professional;

101.29 (3) consulting reports from health care professionals;

101.30 (4) the terms of coverage;

101.31 (5) federal Food and Drug Administration approval; and

102.1 (6) medical or scientific evidence or evidence-based standards.

102.2 Sec. 34. Minnesota Statutes 2022, section 62U.01, is amended by adding a subdivision to
102.3 read:

102.4 Subd. 5a. **Dental organization.** "Dental organization" has the meaning given in section
102.5 62Q.76, subdivision 7.

102.6 Sec. 35. Minnesota Statutes 2022, section 62U.04, subdivision 4, is amended to read:

102.7 Subd. 4. **Encounter data.** (a) All health plan companies, dental organizations, and
102.8 third-party administrators shall submit encounter data on a monthly basis to a private entity
102.9 designated by the commissioner of health. The data shall be submitted in a form and manner
102.10 specified by the commissioner subject to the following requirements:

102.11 (1) the data must be de-identified data as described under the Code of Federal Regulations,
102.12 title 45, section 164.514;

102.13 (2) the data for each encounter must include an identifier for the patient's health care
102.14 home if the patient has selected a health care home, data on contractual value-based payments,
102.15 ~~and, for claims incurred on or after January 1, 2019,~~ data deemed necessary by the
102.16 commissioner to uniquely identify claims in the individual health insurance market; ~~and~~

102.17 (3) the data must include enrollee race and ethnicity, to the extent available, for claims
102.18 incurred on or after January 1, 2023; and

102.19 (4) except for the identifier data described in clause clauses (2) and (3), the data must
102.20 not include information that is not included in a health care claim, dental care claim, or
102.21 equivalent encounter information transaction that is required under section 62J.536.

102.22 (b) The commissioner or the commissioner's designee shall only use the data submitted
102.23 under paragraph (a) to carry out the commissioner's responsibilities in this section, including
102.24 supplying the data to providers so they can verify their results of the peer grouping process
102.25 consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d),
102.26 and adopted by the commissioner and, if necessary, submit comments to the commissioner
102.27 or initiate an appeal.

102.28 (c) Data on providers collected under this subdivision are private data on individuals or
102.29 nonpublic data, as defined in section 13.02. ~~Notwithstanding the definition of summary data~~
102.30 ~~in section 13.02, subdivision 19, summary data prepared under this subdivision may be~~
102.31 ~~derived from nonpublic data.~~ Notwithstanding the data classifications in this paragraph,
102.32 data on providers collected under this subdivision may be released or published as authorized

103.1 in subdivision 11. The commissioner or the commissioner's designee shall establish
103.2 procedures and safeguards to protect the integrity and confidentiality of any data that it
103.3 maintains.

103.4 (d) The commissioner or the commissioner's designee shall not publish analyses or
103.5 reports that identify, or could potentially identify, individual patients.

103.6 (e) The commissioner shall compile summary information on the data submitted under
103.7 this subdivision. The commissioner shall work with its vendors to assess the data submitted
103.8 in terms of compliance with the data submission requirements and the completeness of the
103.9 data submitted by comparing the data with summary information compiled by the
103.10 commissioner and with established and emerging data quality standards to ensure data
103.11 quality.

103.12 Sec. 36. Minnesota Statutes 2022, section 62U.04, subdivision 5, is amended to read:

103.13 Subd. 5. **Pricing data.** (a) All health plan companies, dental organizations, and third-party
103.14 administrators shall submit, on a monthly basis, data on their contracted prices with health
103.15 care providers and dental care providers to a private entity designated by the commissioner
103.16 of health for the purposes of performing the analyses required under this subdivision. Data
103.17 on contracted prices submitted under this paragraph must include data on supplemental
103.18 contractual value-based payments paid to health care providers. The data shall be submitted
103.19 in the form and manner specified by the commissioner of health.

103.20 (b) The commissioner or the commissioner's designee shall only use the data submitted
103.21 under this subdivision to carry out the commissioner's responsibilities under this section,
103.22 including supplying the data to providers so they can verify their results of the peer grouping
103.23 process consistent with the recommendations developed pursuant to subdivision 3c, paragraph
103.24 (d), and adopted by the commissioner and, if necessary, submit comments to the
103.25 commissioner or initiate an appeal.

103.26 (c) Data collected under this subdivision are private data on individuals or nonpublic
103.27 data as defined in section 13.02. Notwithstanding the definition of summary data in section
103.28 13.02, subdivision 19, summary data prepared under this section may be derived from
103.29 nonpublic data. Notwithstanding the data classifications in this paragraph, data on providers
103.30 collected under this subdivision may be released or published as authorized in subdivision
103.31 11. The commissioner shall establish procedures and safeguards to protect the integrity and
103.32 confidentiality of any data that it maintains.

104.1 Sec. 37. Minnesota Statutes 2022, section 62U.04, subdivision 5a, is amended to read:

104.2 Subd. 5a. **Self-insurers.** (a) The commissioner shall not require a self-insurer governed
104.3 by the federal Employee Retirement Income Security Act of 1974 (ERISA) to comply with
104.4 this section.

104.5 (b) A third-party administrator must annually notify the self-insurers whose health plans
104.6 are administered by the third-party administrator that the self-insurer may elect to have the
104.7 third-party administrator submit encounter data, data on contracted prices, and data on
104.8 nonclaims-based payments under subdivisions 4, 5, and 5b, from the self-insurer's health
104.9 plan for the upcoming plan year. This notice must be provided in a form and manner specified
104.10 by the commissioner. After receiving responses from self-insurers, a third-party administrator
104.11 must, in a form and manner specified by the commissioner, report to the commissioner:

104.12 (1) the number of self-insured clients that elected to have the third-party administrator
104.13 submit encounter data, data on contracted prices, and data on nonclaims-based payments
104.14 from the self-insurer's health plan for the upcoming plan year, along with the number of
104.15 covered lives, claims volume, and aggregated claim value;

104.16 (2) the number of self-insured clients that declined to have the third-party administrator
104.17 submit encounter data, data on contracted prices, and data on nonclaims-based payments
104.18 from the self-insurer's health plan for the upcoming plan year, along with the number of
104.19 covered lives, claims volume, and aggregated claim value; and

104.20 (3) data deemed necessary by the commissioner to assure the quality of the submitted
104.21 data.

104.22 (c) Data collected under this subdivision are private data on individuals or nonpublic
104.23 data as defined in section 13.02. Notwithstanding the definition of summary data in section
104.24 13.02, subdivision 19, summary data prepared under this subdivision may be derived from
104.25 nonpublic data. The commissioner shall establish procedures and safeguards to protect the
104.26 integrity and confidentiality of any data maintained by the commissioner.

104.27 Sec. 38. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to
104.28 read:

104.29 Subd. 5b. **Nonclaims-based payments.** (a) Beginning January 1, 2025, all health plan
104.30 companies and third-party administrators shall submit to a private entity designated by the
104.31 commissioner of health all nonclaims-based payments made to health care providers. The
104.32 data shall be submitted in a form, manner, and frequency specified by the commissioner.
104.33 Nonclaims-based payments are payments to health care providers designed to pay for value

105.1 of health care services over volume of health care services and include alternative payment
 105.2 models or incentives, payments for infrastructure expenditures or investments, and payments
 105.3 for workforce expenditures or investments. Nonclaims-based payments submitted under
 105.4 this subdivision must, to the extent possible, be attributed to a health care provider in the
 105.5 same manner in which claims-based data are attributed to a health care provider and, where
 105.6 appropriate, must be combined with data collected under subdivisions 4 to 5a in analyses
 105.7 of health care spending.

105.8 (b) Data collected under this subdivision are private data on individuals or nonpublic
 105.9 data as defined in section 13.02. Notwithstanding the definition of summary data in section
 105.10 13.02, subdivision 19, summary data prepared under this subdivision may be derived from
 105.11 nonpublic data. The commissioner shall establish procedures and safeguards to protect the
 105.12 integrity and confidentiality of any data maintained by the commissioner.

105.13 (c) The commissioner shall consult with health plan companies, hospitals, health care
 105.14 providers, and the commissioner of human services in developing the data reported under
 105.15 this subdivision and standardized reporting forms.

105.16 Sec. 39. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

105.17 Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision
 105.18 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's
 105.19 designee shall only use the data submitted under subdivisions 4 ~~and~~ 5, 5a, and 5b for the
 105.20 ~~following~~ purposes authorized in this subdivision and in subdivision 13:

105.21 (1) to evaluate the performance of the health care home program as authorized under
 105.22 section 62U.03, subdivision 7;

105.23 (2) to study, in collaboration with the reducing avoidable readmissions effectively
 105.24 (RARE) campaign, hospital readmission trends and rates;

105.25 (3) to analyze variations in health care costs, quality, utilization, and illness burden based
 105.26 on geographical areas or populations;

105.27 (4) to evaluate the state innovation model (SIM) testing grant received by the Departments
 105.28 of Health and Human Services, including the analysis of health care cost, quality, and
 105.29 utilization baseline and trend information for targeted populations and communities; and

105.30 (5) to compile one or more public use files of summary data or tables that must:

105.31 (i) be available to the public for no or minimal cost by March 1, 2016, and available by
 105.32 web-based electronic data download by June 30, 2019;

106.1 (ii) not identify individual patients, ~~payers, or providers~~ but that may identify the
 106.2 rendering or billing hospital, clinic, or medical practice so long as no individual health
 106.3 professionals are identified and the commissioner finds the data to be accurate, valid, and
 106.4 suitable for publication for such use;

106.5 (iii) be updated by the commissioner, at least annually, with the most current data
 106.6 available; and

106.7 (iv) contain clear and conspicuous explanations of the characteristics of the data, such
 106.8 as the dates of the data contained in the files, the absence of costs of care for uninsured
 106.9 patients or nonresidents, and other disclaimers that provide appropriate context; ~~and.~~

106.10 ~~(v) not lead to the collection of additional data elements beyond what is authorized under~~
 106.11 ~~this section as of June 30, 2015.~~

106.12 (b) The commissioner may publish the results of the authorized uses identified in
 106.13 paragraph (a) ~~so long as the data released publicly do not contain information or descriptions~~
 106.14 ~~in which the identity of individual hospitals, clinics, or other providers may be discerned.~~
 106.15 The data published under this paragraph may identify hospitals, clinics, and medical practices
 106.16 so long as no individual health professionals are identified and the commissioner finds the
 106.17 data to be accurate, valid, and suitable for publication for such use.

106.18 ~~(e) Nothing in this subdivision shall be construed to prohibit the commissioner from~~
 106.19 ~~using the data collected under subdivision 4 to complete the state-based risk adjustment~~
 106.20 ~~system assessment due to the legislature on October 1, 2015.~~

106.21 ~~(d) The commissioner or the commissioner's designee may use the data submitted under~~
 106.22 ~~subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1,~~
 106.23 ~~2023.~~

106.24 ~~(e) The commissioner shall consult with the all-payer claims database work group~~
 106.25 ~~established under subdivision 12 regarding the technical considerations necessary to create~~
 106.26 ~~the public use files of summary data described in paragraph (a), clause (5).~~

106.27 Sec. 40. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to
 106.28 read:

106.29 Subd. 13. Expanded access to and use of the all-payer claims data. (a) The
 106.30 commissioner or the commissioner's designee shall make the data submitted under
 106.31 subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to
 106.32 individuals and organizations engaged in research on, or efforts to effect transformation in,

107.1 health care outcomes, access, quality, disparities, or spending, provided the use of the data
107.2 serves a public benefit. Data made available under this subdivision may not be used to:

107.3 (1) create an unfair market advantage for any participant in the health care market in
107.4 Minnesota, including health plan companies, payers, and providers;

107.5 (2) reidentify or attempt to reidentify an individual in the data; or

107.6 (3) publicly report contract details between a health plan company and provider and
107.7 derived from the data.

107.8 (b) To implement paragraph (a), the commissioner shall:

107.9 (1) establish detailed requirements for data access; a process for data users to apply to
107.10 access and use the data; legally enforceable data use agreements to which data users must
107.11 consent; a clear and robust oversight process for data access and use, including a data
107.12 management plan, that ensures compliance with state and federal data privacy laws;
107.13 agreements for state agencies and the University of Minnesota to ensure proper and efficient
107.14 use and security of data; and technical assistance for users of the data and for stakeholders;

107.15 (2) develop a fee schedule to support the cost of expanded access to and use of the data,
107.16 provided the fees charged under the schedule do not create a barrier to access or use for
107.17 those most affected by disparities; and

107.18 (3) create a research advisory group to advise the commissioner on applications for data
107.19 use under this subdivision, including an examination of the rigor of the research approach,
107.20 the technical capabilities of the proposed user, and the ability of the proposed user to
107.21 successfully safeguard the data.

107.22 **Sec. 41. REPORT ON TRANSPARENCY OF HEALTH CARE PAYMENTS.**

107.23 Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

107.24 (b) "Commissioner" means the commissioner of health.

107.25 (c) "Nonclaims-based payments" means payments to health care providers designed to
107.26 support and reward value of health care services over volume of health care services and
107.27 includes alternative payment models or incentives, payments for infrastructure expenditures
107.28 or investments, and payments for workforce expenditures or investments.

107.29 (d) "Nonpublic data" has the meaning given in Minnesota Statutes, section 13.02,
107.30 subdivision 9.

108.1 (e) "Primary care services" means integrated, accessible health care services provided
108.2 by clinicians who are accountable for addressing a large majority of personal health care
108.3 needs, developing a sustained partnership with patients, and practicing in the context of
108.4 family and community. Primary care services include but are not limited to preventive
108.5 services, office visits, administration of vaccines, annual physicals, pre-operative physicals,
108.6 assessments, care coordination, development of treatment plans, management of chronic
108.7 conditions, and diagnostic tests.

108.8 Subd. 2. **Report.** (a) To provide the legislature with information needed to meet the
108.9 evolving health care needs of Minnesotans, the commissioner shall report to the legislature
108.10 by February 15, 2024, on the volume and distribution of health care spending across payment
108.11 models used by health plan companies and third-party administrators, with a particular focus
108.12 on value-based care models and primary care spending.

108.13 (b) The report must include specific health plan and third-party administrator estimates
108.14 of health care spending for claims-based payments and nonclaims-based payments for the
108.15 most recent available year, reported separately for Minnesotans enrolled in state health care
108.16 programs, Medicare Advantage, and commercial health insurance. The report must also
108.17 include recommendations on changes needed to gather better data from health plan companies
108.18 and third-party administrators on the use of value-based payments that pay for value of
108.19 health care services provided over volume of services provided, promote the health of all
108.20 Minnesotans, reduce health disparities, and support the provision of primary care services
108.21 and preventive services.

108.22 (c) In preparing the report, the commissioner shall:

108.23 (1) describe the form, manner, and timeline for submission of data by health plan
108.24 companies and third-party administrators to produce estimates as specified in paragraph

108.25 (b);

108.26 (2) collect summary data that permits the computation of:

108.27 (i) the percentage of total payments that are nonclaims-based payments; and

108.28 (ii) the percentage of payments in item (i) that are for primary care services;

108.29 (3) where data was not directly derived, specify the methods used to estimate data
108.30 elements;

108.31 (4) notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, conduct analyses
108.32 of the magnitude of primary care payments using data collected by the commissioner under
108.33 Minnesota Statutes, section 62U.04; and

109.1 (5) conduct interviews with health plan companies and third-party administrators to
109.2 better understand the types of nonclaims-based payments and models in use, the purposes
109.3 or goals of each, the criteria for health care providers to qualify for these payments, and the
109.4 timing and structure of health plan companies or third-party administrators making these
109.5 payments to health care provider organizations.

109.6 (d) Health plan companies and third-party administrators must comply with data requests
109.7 from the commissioner under this section within 60 days after receiving the request.

109.8 (e) Data collected under this section is nonpublic data. Notwithstanding the definition
109.9 of summary data in Minnesota Statutes, section 13.02, subdivision 19, summary data prepared
109.10 under this section may be derived from nonpublic data. The commissioner shall establish
109.11 procedures and safeguards to protect the integrity and confidentiality of any data maintained
109.12 by the commissioner.

109.13 **Sec. 42. STATEWIDE HEALTH CARE PROVIDER DIRECTORY.**

109.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
109.15 the meanings given.

109.16 (b) "Health care provider" means a practicing provider that accepts reimbursement from
109.17 a group purchaser.

109.18 (c) "Health care provider directory" means an electronic catalog and index that supports
109.19 the management of health care provider information, both individual and organizational, in
109.20 a directory structure for public use to find available providers and networks and support
109.21 state agency responsibilities.

109.22 (d) "Group purchaser" has the meaning given in Minnesota Statutes, section 62J.03,
109.23 subdivision 6.

109.24 Subd. 2. **Health care provider directory.** The commissioner shall assess the feasibility
109.25 and stakeholder commitment to develop, manage, and maintain a statewide electronic
109.26 directory of health care providers. The assessment must take into consideration consumer
109.27 information needs, state agency applications, stakeholder needs, technical requirements,
109.28 alignment with national standards, governance, operations, legal and policy considerations,
109.29 and existing directories. The commissioner shall conduct this assessment in consultation
109.30 with stakeholders, including but not limited to consumers, group purchasers, health care
109.31 providers, community health boards, and state agencies.

110.1 Sec. 43. **REPEALER.**

110.2 Minnesota Statutes 2022, section 62J.84, subdivision 5, is repealed.

110.3 **ARTICLE 3**

110.4 **DEPARTMENT OF HEALTH POLICY**

110.5 Section 1. Minnesota Statutes 2022, section 62J.17, subdivision 5a, is amended to read:

110.6 Subd. 5a. **Retrospective review.** (a) The commissioner shall retrospectively review
 110.7 each major spending commitment and ~~notify the provider of the results of the review. The~~
 110.8 ~~commissioner shall~~ determine whether the major spending commitment was appropriate.
 110.9 In making the determination, the commissioner may consider the following criteria: the
 110.10 major spending commitment's impact on the cost, access, and quality of health care; the
 110.11 clinical effectiveness and cost-effectiveness of the major spending commitment; and the
 110.12 alternatives available to the provider. If the major expenditure is determined to not be
 110.13 appropriate, the commissioner shall notify the provider.

110.14 (b) The commissioner may not prevent or prohibit a major spending commitment subject
 110.15 to retrospective review. However, if the provider fails the retrospective review, any major
 110.16 spending commitments by that provider for the five-year period following the commissioner's
 110.17 decision are subject to prospective review under subdivision 6a.

110.18 Sec. 2. Minnesota Statutes 2022, section 62Q.675, is amended to read:

110.19 **62Q.675 HEARING AIDS; PERSONS 18 OR YOUNGER.**

110.20 A health plan must cover hearing aids for all individuals ~~18 years of age or younger~~ for
 110.21 hearing loss that is not correctable by other covered procedures. Coverage required under
 110.22 this section is limited to one hearing aid in each ear every three years. No special deductible,
 110.23 coinsurance, co-payment, or other limitation on the coverage under this section that is not
 110.24 generally applicable to other coverages under the plan may be imposed.

110.25 Sec. 3. Minnesota Statutes 2022, section 144.1481, subdivision 1, is amended to read:

110.26 Subdivision 1. **Establishment; membership.** The commissioner of health shall establish
 110.27 a ~~16-member~~ Rural Health Advisory Committee. The committee shall consist of the following
 110.28 22 members, all of whom must reside outside the seven-county metropolitan area, as defined
 110.29 in section 473.121, subdivision 2:

110.30 (1) two members from the house of representatives of the state of Minnesota, one from
 110.31 the majority party and one from the minority party;

- 111.1 (2) two members from the senate of the state of Minnesota, one from the majority party
 111.2 and one from the minority party;
- 111.3 (3) a volunteer member of an ambulance service based outside the seven-county
 111.4 metropolitan area;
- 111.5 (4) a representative of a hospital located outside the seven-county metropolitan area;
- 111.6 (5) a representative of a nursing home located outside the seven-county metropolitan
 111.7 area;
- 111.8 (6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;
- 111.9 (7) a dentist licensed under chapter 150A;
- 111.10 (8) an allied dental personnel as defined in Minnesota Rules, part 3100.0100, subpart
 111.11 5;
- 111.12 ~~(8)~~ (9) a midlevel practitioner an advanced practice professional;
- 111.13 ~~(9)~~ (10) a registered nurse or licensed practical nurse;
- 111.14 ~~(10)~~ (11) a licensed health care professional from an occupation not otherwise represented
 111.15 on the committee;
- 111.16 ~~(11)~~ (12) a representative of an institution of higher education located outside the
 111.17 seven-county metropolitan area that provides training for rural health care providers; and
- 111.18 (13) a member of a Tribal Nation;
- 111.19 (14) a representative of a local public health agency or community health board;
- 111.20 (15) a health professional or advocate with experience working with people with mental
 111.21 illness;
- 111.22 (16) a representative of a community organization that works with individuals
 111.23 experiencing health disparities;
- 111.24 (17) an individual with expertise in economic development, or an employer working
 111.25 outside the seven-county metropolitan area;
- 111.26 ~~(12)~~ three (18) two consumers, at least one of whom must be an advocate for persons
 111.27 who are mentally ill or developmentally disabled from a community experiencing health
 111.28 disparities; and
- 111.29 (19) one consumer who is an advocate for persons who are developmentally disabled.

112.1 The commissioner will make recommendations for committee membership. Committee
 112.2 members will be appointed by the governor. In making appointments, the governor shall
 112.3 ensure that appointments provide geographic balance among those areas of the state outside
 112.4 the seven-county metropolitan area. The chair of the committee shall be elected by the
 112.5 members. The advisory committee is governed by section 15.059, except that the members
 112.6 do not receive per diem compensation.

112.7 Sec. 4. Minnesota Statutes 2022, section 144.2151, is amended to read:

112.8 **144.2151 FETAL DEATH RECORD AND CERTIFICATE OF BIRTH**
 112.9 **RESULTING IN STILLBIRTH.**

112.10 Subdivision 1. **Filing Registration.** ~~A fetal death record of birth for each birth resulting~~
 112.11 ~~in a stillbirth in this state, on or after August 1, 2005, must be established for which a each~~
 112.12 ~~fetal death report is required~~ reported and registered under section 144.222, subdivision 1;
 112.13 ~~shall be filed with the state registrar within five days after the birth if the parent or parents~~
 112.14 ~~of the stillbirth request to have a record of birth resulting in stillbirth prepared.~~

112.15 Subd. 2. **Information to parents.** The party responsible for filing a fetal death report
 112.16 under section 144.222, subdivision 1, shall advise the parent or parents of a stillbirth:

112.17 ~~(1) that they may request preparation of a record of birth resulting in stillbirth;~~

112.18 ~~(2) that preparation of the record is optional; and~~

112.19 ~~(3) how to obtain a certified copy of the record if one is requested and prepared.~~

112.20 (1) that the parent or parents may choose to provide a full name or provide only a last
 112.21 name for the record;

112.22 (2) that the parent or parents may request a certificate of birth resulting in stillbirth after
 112.23 the fetal death record is established;

112.24 (3) that the parent who gave birth may request an informational copy of the fetal death
 112.25 record; and

112.26 (4) that the parent or parents named on the fetal death record and the party responsible
 112.27 for reporting the fetal death may correct or amend the record to protect the integrity and
 112.28 accuracy of vital records.

112.29 Subd. 3. **Preparation Responsibilities of the state registrar.** ~~(a) Within five days after~~
 112.30 ~~delivery of a stillbirth, the parent or parents of the stillbirth may prepare and file the record~~
 112.31 ~~with the state registrar if the parent or parents of the stillbirth, after being advised as provided~~
 112.32 ~~in subdivision 2, request to have a record of birth resulting in stillbirth prepared.~~

113.1 ~~(b) If the parent or parents of the stillbirth do not choose to provide a full name for the~~
113.2 ~~stillbirth, the parent or parents may choose to file only a last name.~~

113.3 ~~(c) Either parent of the stillbirth or, if neither parent is available, another person with~~
113.4 ~~knowledge of the facts of the stillbirth shall attest to the accuracy of the personal data entered~~
113.5 ~~on the record in time to permit the filing of the record within five days after delivery.~~

113.6 The state registrar shall:

113.7 (1) prescribe the process to:

113.8 (i) register a fetal death;

113.9 (ii) request the certificate of birth resulting in stillbirth; and

113.10 (iii) request the informational copy of a fetal death record;

113.11 (2) prescribe a standardized format for the certificate of birth resulting in stillbirth, which
113.12 shall integrate security features and be as similar as possible to a birth certificate;

113.13 (3) issue a certificate of birth resulting in stillbirth or a statement of no vital record found
113.14 to the parent or parents named on the fetal death record upon the parent's proper completion
113.15 of an attestation provided by the commissioner and payment of the required fee;

113.16 (4) correct or amend the fetal death record upon a request from the parent who gave
113.17 birth, parents, or the person who registered the fetal death or filed the report; and

113.18 (5) refuse to amend or correct the fetal death record when an applicant does not submit
113.19 the minimum documentation required to amend the record or when the state registrar has
113.20 cause to question the validity or completeness of the applicant's statements or any
113.21 documentary evidence and the deficiencies are not corrected. The state registrar shall advise
113.22 the applicant of the reason for this action and shall further advise the applicant of the right
113.23 of appeal to a court with competent jurisdiction over the Department of Health.

113.24 Subd. 4. ~~Retroactive application~~ Delayed registration. ~~Notwithstanding subdivisions~~
113.25 ~~1 to 3, If a birth that fetal death occurred in this state at any time resulted in a stillbirth for~~
113.26 ~~which a fetal death report was required under section 144.222, subdivision 1, but a record~~
113.27 ~~of birth resulting in stillbirth was not prepared under subdivision 3, a parent of the stillbirth~~
113.28 ~~may submit to the state registrar, on or after August 1, 2005, a written request for preparation~~
113.29 ~~of a record of birth resulting in stillbirth and evidence of the facts of the stillbirth in the~~
113.30 ~~form and manner specified by the state registrar. The state registrar shall prepare and file~~
113.31 ~~the record of birth resulting in stillbirth within 30 days after receiving satisfactory evidence~~
113.32 ~~of the facts of the stillbirth.~~ fetal death was not registered and a record was not established,

114.1 a person responsible for registering the fetal death, the medical examiner or coroner with
 114.2 jurisdiction, or a parent may submit to the state registrar a written request to register the
 114.3 fetal death and submit the evidence to support the request.

114.4 ~~Subd. 5. Responsibilities of state registrar.~~ The state registrar shall:

114.5 ~~(1) prescribe the form of and information to be included on a record of birth resulting~~
 114.6 ~~in stillbirth, which shall be as similar as possible to the form of and information included~~
 114.7 ~~on a record of birth;~~

114.8 ~~(2) prescribe the form of and information to be provided by the parent of a stillbirth~~
 114.9 ~~requesting a record of birth resulting in stillbirth under subdivisions 3 and 4 and make this~~
 114.10 ~~form available on the Department of Health's website;~~

114.11 ~~(3) issue a certified copy of a record of birth resulting in stillbirth to a parent of the~~
 114.12 ~~stillbirth that is the subject of the record if:~~

114.13 ~~(i) a record of birth resulting in stillbirth has been prepared and filed under subdivision~~
 114.14 ~~3 or 4; and~~

114.15 ~~(ii) the parent requesting a certified copy of the record submits the request in writing;~~
 114.16 ~~and~~

114.17 ~~(4) create and implement a process for entering, preparing, and handling stillbirth records~~
 114.18 ~~identical or as close as possible to the processes for birth and fetal death records when~~
 114.19 ~~feasible, but no later than the date on which the next reprogramming of the Department of~~
 114.20 ~~Health's database for vital records is completed.~~

114.21 Sec. 5. Minnesota Statutes 2022, section 144.222, is amended to read:

114.22 **144.222 FETAL DEATH REPORTS OF FETAL OR INFANT DEATH AND**
 114.23 **REGISTRATION.**

114.24 Subdivision 1. **Fetal death report required.** A fetal death report must be filed registered
 114.25 or reported within five days of the death of a fetus for whom 20 or more weeks of gestation
 114.26 have elapsed, except for abortions defined under section 145.4241. A fetal death report ~~must~~
 114.27 ~~be prepared~~ must be registered or reported in a format prescribed by the state registrar and
 114.28 filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

114.29 (1) a person in charge of an institution or that person's authorized designee if a fetus is
 114.30 delivered in the institution or en route to the institution;

114.31 (2) a physician, certified nurse midwife, or other licensed medical personnel in attendance
 114.32 at or immediately after the delivery if a fetus is delivered outside an institution; or

115.1 (3) a parent or other person in charge of the disposition of the remains if a fetal death
115.2 occurred without medical attendance at or immediately after the delivery.

115.3 ~~Subd. 2. **Sudden infant death.** Each infant death which is diagnosed as sudden infant~~
115.4 ~~death syndrome shall be reported within five days to the state registrar.~~

115.5 Sec. 6. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to
115.6 read:

115.7 Subd. 2a. **Connector.** "Connector" means gooseneck, pigtail, and other service line
115.8 connectors. A connector is typically a short section of piping not exceeding two feet that
115.9 can be bent and used for connections between rigid service piping.

115.10 Sec. 7. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to
115.11 read:

115.12 Subd. 3a. **Galvanized requiring replacement.** "Galvanized requiring replacement"
115.13 means a galvanized service line that is or was at any time connected to a lead service line
115.14 or lead status unknown service line, or is currently or was previously affixed to a lead
115.15 connector. The majority of galvanized service lines fall under this category.

115.16 Sec. 8. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to
115.17 read:

115.18 Subd. 3b. **Galvanized service line.** "Galvanized service line" means a service line made
115.19 of iron or piping that has been dipped in zinc to prevent corrosion and rusting.

115.20 Sec. 9. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to
115.21 read:

115.22 Subd. 3c. **Lead connector.** "Lead connector" means a connector made of lead.

115.23 Sec. 10. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision
115.24 to read:

115.25 Subd. 3d. **Lead service line.** "Lead service line" means a portion of pipe that is made
115.26 of lead, which connects the water main to the building inlet. A lead service line may be
115.27 owned by the water system, by the property owner, or both.

116.1 Sec. 11. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision
116.2 to read:

116.3 Subd. 3e. **Lead status unknown service line or unknown service line.** "Lead status
116.4 unknown service line" or "unknown service line" means a service line that has not been
116.5 demonstrated to meet or does not meet the definition of lead free in section 1417 of the Safe
116.6 Drinking Water Act.

116.7 Sec. 12. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision
116.8 to read:

116.9 Subd. 3f. **Nonlead service line.** "Nonlead service line" means a service line determined
116.10 through an evidence-based record, method, or technique not to be a lead service line or
116.11 galvanized service line requiring replacement. Most nonlead service lines are made of copper
116.12 or plastic.

116.13 Sec. 13. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision
116.14 to read:

116.15 Subd. 4a. **Service line.** "Service line" means a portion of pipe that connects the water
116.16 main to the building inlet. A service line may be owned by the water system, by the property
116.17 owner, or both. A service line may be made of many materials, such as lead, copper,
116.18 galvanized steel, or plastic.

116.19 Sec. 14. **[144.3853] CLASSIFICATION OF SERVICE LINES.**

116.20 Subdivision 1. **Classification of lead status of service line.** (a) A water system may
116.21 classify the actual material of a service line, such as copper or plastic, as an alternative to
116.22 classifying the service line as a nonlead service line, for the purpose of the lead service line
116.23 inventory.

116.24 (b) It is not necessary to physically verify the material composition, such as copper or
116.25 plastic, of a service line for its lead status to be identified. For example, if records demonstrate
116.26 the service line was installed after a municipal, state, or federal ban on the installation of
116.27 lead service lines, the service line may be classified as a nonlead service line.

116.28 Subd. 2. **Lead connector.** For the purposes of the lead service line inventory and lead
116.29 service line replacement plan, if a service line has a lead connector, the service line shall
116.30 be classified as a lead service line or a galvanized service line requiring replacement.

117.1 Subd. 3. **Galvanized service line.** A galvanized service line may only be classified as
117.2 a nonlead service line if there is documentation verifying it was never connected to a lead
117.3 service line or lead connector. Rarely will a galvanized service line be considered a nonlead
117.4 service line.

117.5 Sec. 15. Minnesota Statutes 2022, section 144.55, subdivision 3, is amended to read:

117.6 **Subd. 3. Standards for licensure.** (a) Notwithstanding the provisions of section 144.56,
117.7 for the purpose of hospital licensure, the commissioner of health shall use as minimum
117.8 standards the hospital certification regulations promulgated pursuant to title XVIII of the
117.9 Social Security Act, United States Code, title 42, section 1395, et seq. The commissioner
117.10 may use as minimum standards changes in the federal hospital certification regulations
117.11 promulgated after May 7, 1981, if the commissioner finds that such changes are reasonably
117.12 necessary to protect public health and safety. ~~The commissioner shall also promulgate in~~
117.13 ~~rules additional minimum standards for new construction.~~

117.14 (b) Hospitals must meet the applicable provisions of the 2022 edition of the Facility
117.15 Guidelines Institute *Guidelines for Design and Construction of Hospitals*. This minimum
117.16 design standard must be met for all new licenses, new construction, change of use, or change
117.17 of occupancy for which plan review packages are received on or after January 1, 2024. For
117.18 the purposes of this subdivision, "Facility Guidelines Institute *Guidelines for Design and*
117.19 *Construction of Hospitals*" does not include any appendices to the guidelines.

117.20 (c) The commissioner shall review each new edition of the guidelines to determine if
117.21 they will be updated. If the commissioner decides to update the edition of the guidelines
117.22 specified in paragraph (b) for purposes of this subdivision, the commissioner must notify
117.23 the chairs and ranking minority members of the legislative committees with jurisdiction
117.24 over health care and public safety of the planned update by January 15 of the year in which
117.25 the new edition will become effective. Following notice from the commissioner, the new
117.26 edition shall become effective for hospitals beginning August 1 of that year, unless otherwise
117.27 provided in law. The commissioner shall, by publication in the State Register, specify a
117.28 date by which hospitals must comply with the updated edition. The date by which hospitals
117.29 must comply shall not be sooner than 12 months after publication of the commissioner's
117.30 notice in the State Register and applies only to plan review submissions received on or after
117.31 that date.

117.32 (d) Hospitals shall be in compliance with all applicable state and local governing laws,
117.33 regulations, standards, ordinances, and codes for fire safety, building, and zoning
117.34 requirements. The commissioner shall develop guidance to outline how the commissioner

118.1 will resolve conflicts between the guidelines and other applicable state and local governing
 118.2 laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning.
 118.3 Guidance must be made publicly available at the time a new edition of the guidelines
 118.4 becomes effective and shall be periodically updated.

118.5 ~~(b)~~ (e) Each hospital and outpatient surgical center shall establish policies and procedures
 118.6 to prevent the transmission of human immunodeficiency virus and hepatitis B virus to
 118.7 patients and within the health care setting. The policies and procedures shall be developed
 118.8 in conformance with the most recent recommendations issued by the United States
 118.9 Department of Health and Human Services, Public Health Service, Centers for Disease
 118.10 Control. The commissioner of health shall evaluate a hospital's compliance with the policies
 118.11 and procedures according to subdivision 4.

118.12 ~~(e)~~ (f) An outpatient surgical center must establish and maintain a comprehensive
 118.13 tuberculosis infection control program according to the most current tuberculosis infection
 118.14 control guidelines issued by the United States Centers for Disease Control and Prevention
 118.15 (CDC), Division of Tuberculosis Elimination, as published in CDC's Morbidity and Mortality
 118.16 Weekly Report (MMWR). This program must include a tuberculosis infection control plan
 118.17 that covers all paid and unpaid employees, contractors, students, and volunteers. The
 118.18 Department of Health shall provide technical assistance regarding implementation of the
 118.19 guidelines.

118.20 ~~(d)~~ (g) Written compliance with this subdivision must be maintained by the outpatient
 118.21 surgical center.

118.22 **EFFECTIVE DATE.** This section is effective January 1, 2024.

118.23 Sec. 16. Minnesota Statutes 2022, section 144.6535, subdivision 1, is amended to read:

118.24 Subdivision 1. **Request for variance or waiver.** A hospital may request that the
 118.25 commissioner grant a variance or waiver from the provisions of ~~Minnesota Rules, chapter~~
 118.26 ~~4640 or 4645~~ section 144.55, subdivision 3, paragraph (b). A request for a variance or waiver
 118.27 must be submitted to the commissioner in writing. Each request must contain:

- 118.28 (1) the specific ~~rule or rules~~ requirement for which the variance or waiver is requested;
- 118.29 (2) the reasons for the request;
- 118.30 (3) the alternative measures that will be taken if a variance or waiver is granted;
- 118.31 (4) the length of time for which the variance or waiver is requested; and

119.1 (5) other relevant information deemed necessary by the commissioner to properly evaluate
119.2 the request for the variance or waiver.

119.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

119.4 Sec. 17. Minnesota Statutes 2022, section 144.6535, subdivision 2, is amended to read:

119.5 Subd. 2. **Criteria for evaluation.** The decision to grant or deny a variance or waiver
119.6 must be based on the commissioner's evaluation of the following criteria:

119.7 (1) whether the variance or waiver will adversely affect the health, treatment, comfort,
119.8 safety, or well-being of a patient;

119.9 (2) whether the alternative measures to be taken, if any, are equivalent to or superior to
119.10 those prescribed in ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3,
119.11 paragraph (b); and

119.12 (3) whether compliance with the ~~rule or rules~~ requirements would impose an undue
119.13 burden upon the applicant.

119.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

119.15 Sec. 18. Minnesota Statutes 2022, section 144.6535, subdivision 4, is amended to read:

119.16 Subd. 4. **Effect of alternative measures or conditions.** (a) Alternative measures or
119.17 conditions attached to a variance or waiver have the same force and effect as the ~~rules~~
119.18 requirement under ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3,
119.19 paragraph (b), and are subject to the issuance of correction orders and penalty assessments
119.20 in accordance with section 144.55.

119.21 (b) Fines for a violation of this section shall be in the same amount as that specified for
119.22 the particular ~~rule~~ requirement for which the variance or waiver was requested.

119.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

119.24 Sec. 19. Minnesota Statutes 2022, section 144.69, is amended to read:

119.25 **144.69 CLASSIFICATION OF DATA ON INDIVIDUALS.**

119.26 **Subdivision 1. Data collected by the cancer reporting system.** Notwithstanding any
119.27 law to the contrary, including section 13.05, subdivision 9, data collected on individuals by
119.28 the cancer ~~surveillance~~ reporting system, including the names and personal identifiers of
119.29 persons required in section 144.68 to report, shall be private and may only be used for the
119.30 purposes set forth in this section and sections 144.671, 144.672, and 144.68. Any disclosure

120.1 other than is provided for in this section and sections 144.671, 144.672, and 144.68, is
 120.2 declared to be a misdemeanor and punishable as such. Except as provided by rule, and as
 120.3 part of an epidemiologic investigation, an officer or employee of the commissioner of health
 120.4 may interview patients named in any such report, or relatives of any such patient, only after
 120.5 ~~the consent of~~ notifying the attending physician, advanced practice registered nurse, physician
 120.6 assistant, or surgeon ~~is obtained~~. Research protections for patients must be consistent with
 120.7 section 13.04, subdivision 2, and Code of Federal Regulations, title 45, part 46.

120.8 Subd. 2. **Transfers of information to state cancer registries and federal government**
 120.9 agencies. (a) Information containing personal identifiers of a non-Minnesota resident
 120.10 collected by the cancer reporting system may be provided to the statewide cancer registry
 120.11 of the nonresident's home state solely for the purposes consistent with this section and
 120.12 sections 144.671, 144.672, and 144.68, provided that the other state agrees to maintain the
 120.13 classification of the information as provided under subdivision 1.

120.14 (b) Information, excluding direct identifiers such as name, Social Security number,
 120.15 telephone number, and street address, collected by the cancer reporting system may be
 120.16 provided to the Centers for Disease Control and Prevention's National Program of Cancer
 120.17 Registries and the National Cancer Institute's Surveillance, Epidemiology, and End Results
 120.18 Program registry.

120.19 Sec. 20. Minnesota Statutes 2022, section 144.9501, subdivision 17, is amended to read:

120.20 Subd. 17. **Lead hazard reduction.** (a) "Lead hazard reduction" means abatement, swab
 120.21 team services, or interim controls undertaken to make a residence, child care facility, school,
 120.22 playground, or other location where lead hazards are identified lead-safe by complying with
 120.23 the lead standards and methods adopted under section 144.9508.

120.24 (b) Lead hazard reduction does not include renovation activity that is primarily intended
 120.25 to remodel, repair, or restore a given structure or dwelling rather than abate or control
 120.26 lead-based paint hazards.

120.27 (c) Lead hazard reduction does not include activities that disturb painted surfaces that
 120.28 total:

120.29 (1) less than 20 square feet (two square meters) on exterior surfaces; or

120.30 (2) less than two square feet (0.2 square meters) in an interior room.

120.31 Sec. 21. Minnesota Statutes 2022, section 144.9501, subdivision 26a, is amended to read:

120.32 Subd. 26a. **Regulated lead work.** ~~(a)~~ "Regulated lead work" means:

- 121.1 (1) abatement;
- 121.2 (2) interim controls;
- 121.3 (3) a clearance inspection;
- 121.4 (4) a lead hazard screen;
- 121.5 (5) a lead inspection;
- 121.6 (6) a lead risk assessment;
- 121.7 (7) lead project designer services;
- 121.8 (8) lead sampling technician services;
- 121.9 (9) swab team services;
- 121.10 (10) renovation activities; ~~or~~
- 121.11 (11) lead hazard reduction; or
- 121.12 ~~(11)~~ (12) activities performed to comply with lead orders issued by a community health
- 121.13 ~~board~~ an assessing agency.
- 121.14 ~~(b) Regulated lead work does not include abatement, interim controls, swab team services,~~
- 121.15 ~~or renovation activities that disturb painted surfaces that total no more than:~~
- 121.16 ~~(1) 20 square feet (two square meters) on exterior surfaces; or~~
- 121.17 ~~(2) six square feet (0.6 square meters) in an interior room.~~

121.18 Sec. 22. Minnesota Statutes 2022, section 144.9501, subdivision 26b, is amended to read:

121.19 Subd. 26b. **Renovation.** (a) "Renovation" means the modification of any pre-1978

121.20 affected property for compensation that results in the disturbance of known or presumed

121.21 lead-containing painted surfaces defined under section 144.9508, unless that activity is

121.22 performed as lead hazard reduction. A renovation performed for the purpose of converting

121.23 a building or part of a building into an affected property is a renovation under this

121.24 subdivision.

121.25 (b) Renovation does not include minor repair and maintenance activities described in

121.26 this paragraph. All activities that disturb painted surfaces and are performed within 30 days

121.27 of other activities that disturb painted surfaces in the same room must be considered a single

121.28 project when applying the criteria below. Unless the activity involves window replacement

121.29 or demolition of a painted surface, building component, or portion of a structure, for purposes

122.1 of this paragraph, "minor repair and maintenance" means activities that disturb painted
 122.2 surfaces totaling:

122.3 (1) less than 20 square feet (two square meters) on exterior surfaces; or

122.4 (2) less than six square feet (0.6 square meters) in an interior room.

122.5 (c) Renovation does not include total demolition of a freestanding structure. For purposes
 122.6 of this paragraph, "total demolition" means demolition and disposal of all interior and
 122.7 exterior painted surfaces, including windows. Unpainted foundation building components
 122.8 remaining after total demolition may be reused.

122.9 Sec. 23. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision
 122.10 to read:

122.11 Subd. 33. **Compensation.** "Compensation" means money or other mutually agreed upon
 122.12 form of payment given or received for regulated lead work, including rental payments,
 122.13 rental income, or salaries derived from rental payments.

122.14 Sec. 24. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision
 122.15 to read:

122.16 Subd. 34. **Individual.** "Individual" means a natural person.

122.17 Sec. 25. Minnesota Statutes 2022, section 144.9505, subdivision 1, is amended to read:

122.18 Subdivision 1. **Licensing, certification, and permitting.** (a) Fees collected under this
 122.19 section shall be deposited into the state treasury and credited to the state government special
 122.20 revenue fund.

122.21 (b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead
 122.22 workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers,
 122.23 renovation firms, or lead firms unless they have licenses or certificates issued by the
 122.24 commissioner under this section.

122.25 (c) The fees required in this section for inspectors, risk assessors, and certified lead firms
 122.26 are waived for state or local government employees performing services for or as an assessing
 122.27 agency.

122.28 (d) ~~An individual who is the owner of property on which regulated lead work is to be~~
 122.29 ~~performed or an adult individual who is related to the property owner, as defined under~~
 122.30 ~~section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and~~
 122.31 ~~pay a fee according to this section.~~ Individual residential property owners or an adult

123.1 individual who is related to the property owner who performs regulated lead work on the
 123.2 residence are exempt from the licensure and firm certification requirements of this section.
 123.3 Notwithstanding the provisions of paragraphs (a) to (c), this exemption does not apply when
 123.4 the regulated lead work is a renovation performed for compensation, when a child with an
 123.5 elevated blood level has been identified in the residence or the building in which the residence
 123.6 is located, or when the residence is occupied by one or more individuals who are not related
 123.7 to the property owner, as defined under section 245A.02, subdivision 13.

123.8 ~~(e) A person that employs individuals to perform regulated lead work outside of the~~
 123.9 ~~person's property must obtain certification as a certified lead firm. An individual who~~
 123.10 ~~performs lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments,~~
 123.11 ~~clearance inspections, lead project designer services, lead sampling technician services,~~
 123.12 ~~swab team services, and activities performed to comply with lead orders must be employed~~
 123.13 ~~by a certified lead firm, unless the individual is a sole proprietor and does not employ any~~
 123.14 ~~other individuals, the individual is employed by a person that does not perform regulated~~
 123.15 ~~lead work outside of the person's property, or the individual is employed by an assessing~~
 123.16 ~~agency.~~

123.17 Sec. 26. Minnesota Statutes 2022, section 144.9505, subdivision 1g, is amended to read:

123.18 Subd. 1g. **Certified lead firm.** A person who performs or employs individuals to perform
 123.19 regulated lead work, with the exception of renovation, ~~outside of the person's property~~ must
 123.20 obtain certification as a lead firm. The certificate must be in writing, contain an expiration
 123.21 date, be signed by the commissioner, and give the name and address of the person to whom
 123.22 it is issued. A lead firm certificate is valid for one year. The certification fee is \$100, is
 123.23 nonrefundable, and must be submitted with each application. The lead firm certificate or a
 123.24 copy of the certificate must be readily available at the worksite for review by the contracting
 123.25 entity, the commissioner, and other public health officials charged with the health, safety,
 123.26 and welfare of the state's citizens.

123.27 Sec. 27. Minnesota Statutes 2022, section 144.9505, subdivision 1h, is amended to read:

123.28 Subd. 1h. **Certified renovation firm.** A person who performs or employs individuals
 123.29 to perform renovation ~~activities outside of the person's property~~ for compensation must
 123.30 obtain certification as a renovation firm. The certificate must be in writing, contain an
 123.31 expiration date, be signed by the commissioner, and give the name and address of the person
 123.32 to whom it is issued. A renovation firm certificate is valid for two years. The certification
 123.33 fee is \$100, is nonrefundable, and must be submitted with each application. The renovation

124.1 firm certificate or a copy of the certificate must be readily available at the worksite for
124.2 review by the contracting entity, the commissioner, and other public health officials charged
124.3 with the health, safety, and welfare of the state's citizens.

124.4 Sec. 28. Minnesota Statutes 2022, section 144.9508, subdivision 2, is amended to read:

124.5 Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner shall
124.6 adopt rules establishing regulated lead work standards and methods in accordance with the
124.7 provisions of this section, for lead in paint, dust, drinking water, and soil in a manner that
124.8 protects public health and the environment for all residences, including residences also used
124.9 for a commercial purpose, child care facilities, playgrounds, and schools.

124.10 (b) In the rules required by this section, the commissioner shall require lead hazard
124.11 reduction of intact paint only if the commissioner finds that the intact paint is on a chewable
124.12 or lead-dust producing surface that is a known source of actual lead exposure to a specific
124.13 individual. The commissioner shall prohibit methods that disperse lead dust into the air that
124.14 could accumulate to a level that would exceed the lead dust standard specified under this
124.15 section. The commissioner shall work cooperatively with the commissioner of administration
124.16 to determine which lead hazard reduction methods adopted under this section may be used
124.17 for lead-safe practices including prohibited practices, preparation, disposal, and cleanup.
124.18 The commissioner shall work cooperatively with the commissioner of the Pollution Control
124.19 Agency to develop disposal procedures. In adopting rules under this section, the
124.20 commissioner shall require the best available technology for regulated lead work methods,
124.21 paint stabilization, and repainting.

124.22 (c) The commissioner of health shall adopt regulated lead work standards and methods
124.23 for lead in bare soil in a manner to protect public health and the environment. The
124.24 commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil.
124.25 The commissioner shall set a soil replacement standard not to exceed 25 parts of lead per
124.26 million. Soil lead hazard reduction methods shall focus on erosion control and covering of
124.27 bare soil.

124.28 (d) The commissioner shall adopt regulated lead work standards and methods for lead
124.29 in dust in a manner to protect the public health and environment. Dust standards shall use
124.30 a weight of lead per area measure and include dust on the floor, on the window sills, and
124.31 on window wells. Lead hazard reduction methods for dust shall focus on dust removal and
124.32 other practices which minimize the formation of lead dust from paint, soil, or other sources.

124.33 (e) The commissioner shall adopt lead hazard reduction standards and methods for lead
124.34 in drinking water both at the tap and public water supply system or private well in a manner

125.1 to protect the public health and the environment. The commissioner may adopt the rules
125.2 for controlling lead in drinking water as contained in Code of Federal Regulations, title 40,
125.3 part 141. Drinking water lead hazard reduction methods may include an educational approach
125.4 of minimizing lead exposure from lead in drinking water.

125.5 (f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that
125.6 removal of exterior lead-based coatings from residences and steel structures by abrasive
125.7 blasting methods is conducted in a manner that protects health and the environment.

125.8 (g) All regulated lead work standards shall provide reasonable margins of safety that
125.9 are consistent with more than a summary review of scientific evidence and an emphasis on
125.10 overprotection rather than underprotection when the scientific evidence is ambiguous.

125.11 (h) No unit of local government shall have an ordinance or regulation governing regulated
125.12 lead work standards or methods for lead in paint, dust, drinking water, or soil that require
125.13 a different regulated lead work standard or method than the standards or methods established
125.14 under this section.

125.15 (i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of
125.16 local government of an innovative lead hazard reduction method which is consistent in
125.17 approach with methods established under this section.

125.18 (j) The commissioner shall adopt rules for issuing lead orders required under section
125.19 144.9504, rules for notification of abatement or interim control activities requirements, and
125.20 other rules necessary to implement sections 144.9501 to 144.9512.

125.21 (k) The commissioner shall adopt rules consistent with section 402(c)(3) of the Toxic
125.22 Substances Control Act and all regulations adopted thereunder to ensure that renovation in
125.23 a pre-1978 affected property ~~where a child or pregnant female resides~~ is conducted in a
125.24 manner that protects health and the environment. Notwithstanding sections 14.125 and
125.25 14.128, the authority to adopt these rules does not expire.

125.26 (l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of the
125.27 Toxic Substances Control Act. Notwithstanding sections 14.125 and 14.128, the authority
125.28 to adopt these rules does not expire.

125.29 Sec. 29. Minnesota Statutes 2022, section 144A.06, subdivision 2, is amended to read:

125.30 Subd. 2. **New license required; change of ownership.** (a) The commissioner of health
125.31 by rule shall prescribe procedures for licensure under this section.

126.1 (b) A new license is required and the prospective licensee must apply for a license prior
 126.2 to operating a currently licensed nursing home. The licensee must change whenever one of
 126.3 the following events occur:

126.4 (1) the form of the licensee's legal entity structure is converted or changed to a different
 126.5 type of legal entity structure;

126.6 (2) the licensee dissolves, consolidates, or merges with another legal organization and
 126.7 the licensee's legal organization does not survive;

126.8 (3) within the previous 24 months, 50 percent or more of the licensee's ownership interest
 126.9 is transferred, whether by a single transaction or multiple transactions to:

126.10 (i) a different person or multiple different persons; or

126.11 (ii) a person or multiple persons who had less than a five percent ownership interest in
 126.12 the facility at the time of the first transaction; or

126.13 (4) any other event or combination of events that results in a substitution, elimination,
 126.14 or withdrawal of the licensee's responsibility for the facility.

126.15 Sec. 30. Minnesota Statutes 2022, section 144A.071, subdivision 2, is amended to read:

126.16 Subd. 2. **Moratorium.** (a) The commissioner of health, in coordination with the
 126.17 commissioner of human services, shall deny each request for new licensed or certified
 126.18 nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or
 126.19 section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified
 126.20 by the commissioner of health for the purposes of the medical assistance program, under
 126.21 United States Code, title 42, sections 1396 et seq. Certified beds in facilities which do not
 126.22 allow medical assistance intake shall be deemed to be decertified for purposes of this section
 126.23 only.

126.24 (b) The commissioner of human services, in coordination with the commissioner of
 126.25 health, shall deny any request to issue a license under section 252.28 and chapter 245A to
 126.26 a nursing home or boarding care home, if that license would result in an increase in the
 126.27 medical assistance reimbursement amount.

126.28 (c) In addition, the commissioner of health must not approve any construction project
 126.29 whose cost exceeds \$1,000,000, unless:

126.30 ~~(a)~~ (1) any construction costs exceeding \$1,000,000 are not added to the facility's
 126.31 appraised value and are not included in the facility's payment rate for reimbursement under
 126.32 the medical assistance program; or

127.1 ~~(b)~~ (2) the project:

127.2 ~~(1)~~ (i) has been approved through the process described in section 144A.073;

127.3 ~~(2)~~ (ii) meets an exception in subdivision 3 or 4a;

127.4 ~~(3)~~ (iii) is necessary to correct violations of state or federal law issued by the
127.5 commissioner of health;

127.6 ~~(4)~~ (iv) is necessary to repair or replace a portion of the facility that was damaged by
127.7 fire, lightning, ground shifts, or other such hazards, including environmental hazards,
127.8 provided that the provisions of subdivision 4a, clause (a), are met; or

127.9 ~~(5)~~ (v) is being proposed by a licensed nursing facility that is not certified to participate
127.10 in the medical assistance program and will not result in new licensed or certified beds.

127.11 (d) Prior to the final plan approval of any construction project, the commissioners of
127.12 health and human services shall be provided with an itemized cost estimate for the project
127.13 construction costs. If a construction project is anticipated to be completed in phases, the
127.14 total estimated cost of all phases of the project shall be submitted to the commissioners and
127.15 shall be considered as one construction project. Once the construction project is completed
127.16 and prior to the final clearance by the commissioners, the total project construction costs
127.17 for the construction project shall be submitted to the commissioners. If the final project
127.18 construction cost exceeds the dollar threshold in this subdivision, the commissioner of
127.19 human services shall not recognize any of the project construction costs or the related
127.20 financing costs in excess of this threshold in establishing the facility's property-related
127.21 payment rate.

127.22 (e) The dollar thresholds for construction projects are as follows: for construction projects
127.23 other than those authorized in ~~clauses (1) to (6)~~ paragraph (c), clause (2), items (i) to (v),
127.24 the dollar threshold is \$1,000,000. For projects authorized after July 1, 1993, under ~~clause~~
127.25 ~~(1)~~ paragraph (c), clause (2), item (i), the dollar threshold is the cost estimate submitted
127.26 with a proposal for an exception under section 144A.073, plus inflation as calculated
127.27 according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under
127.28 ~~clauses (2) to (4)~~ paragraph (c), clause (2), items (ii) to (iv), the dollar threshold is the
127.29 itemized estimate project construction costs submitted to the commissioner of health at the
127.30 time of final plan approval, plus inflation as calculated according to section 256B.431,
127.31 subdivision 3f, paragraph (a).

128.1 (f) The commissioner of health shall adopt rules to implement this section or to amend
 128.2 the emergency rules for granting exceptions to the moratorium on nursing homes under
 128.3 section 144A.073.

128.4 (g) All construction projects approved through section 144A.073, subdivision 3, after
 128.5 March 1, 2020, are subject to the fair rental value property rate as described in section
 128.6 256R.26.

128.7 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2020.

128.8 Sec. 31. Minnesota Statutes 2022, section 144A.073, subdivision 3b, is amended to read:

128.9 Subd. 3b. **Amendments to approved projects.** (a) Nursing facilities that have received
 128.10 approval ~~on or after July 1, 1993,~~ for exceptions to the moratorium on nursing homes through
 128.11 the process described in this section may request amendments to the designs of the projects
 128.12 by writing the commissioner within 15 months of receiving approval. Applicants shall
 128.13 submit supporting materials that demonstrate how the amended projects meet the criteria
 128.14 described in paragraph (b).

128.15 (b) The commissioner shall approve requests for amendments for projects approved ~~on~~
 128.16 ~~or after July 1, 1993,~~ according to the following criteria:

128.17 (1) the amended project designs must provide solutions to all of the problems addressed
 128.18 by the original application that are at least as effective as the original solutions;

128.19 (2) the amended project designs may not reduce the space in each resident's living area
 128.20 or in the total amount of common space devoted to resident and family uses by more than
 128.21 five percent;

128.22 (3) the costs ~~recognized for reimbursement~~ of amended project designs shall be ~~the~~
 128.23 ~~threshold amount of the original proposal as identified according to section 144A.071,~~
 128.24 ~~subdivision 2~~ the cost estimate associated with the project as originally approved, except
 128.25 under conditions described in clause (4); and

128.26 (4) total costs ~~up to ten percent greater than the cost identified in clause (3) may be~~
 128.27 ~~recognized for reimbursement if~~ of the amendment are no greater than ten percent of the
 128.28 cost estimate associated with the project as initially approved if the proposer can document
 128.29 that one of the following circumstances is true:

128.30 (i) changes are needed due to a natural disaster;

128.31 (ii) conditions that affect the safety or durability of the project that could not have
 128.32 reasonably been known prior to approval are discovered;

129.1 (iii) state or federal law require changes in project design; or

129.2 (iv) documentable circumstances occur that are beyond the control of the owner and
129.3 require changes in the design.

129.4 (c) Approval of a request for an amendment does not alter the expiration of approval of
129.5 the project according to subdivision 3.

129.6 (d) Reimbursement for amendments to approved projects is independent of the actual
129.7 construction costs and based on the allowable appraised value of the completed project. An
129.8 approved project may not be amended to reduce the scope of an approved project.

129.9 **EFFECTIVE DATE.** This section is effective retroactively from March 1, 2020.

129.10 Sec. 32. Minnesota Statutes 2022, section 144A.474, subdivision 3, is amended to read:

129.11 Subd. 3. **Survey process.** The survey process for core surveys shall include the following
129.12 as applicable to the particular licensee and setting surveyed:

129.13 (1) presurvey review of pertinent documents and notification to the ombudsman for
129.14 long-term care;

129.15 (2) an entrance conference with available staff;

129.16 (3) communication with managerial officials or the registered nurse in charge, if available,
129.17 and ongoing communication with key staff throughout the survey regarding information
129.18 needed by the surveyor, clarifications regarding home care requirements, and applicable
129.19 standards of practice;

129.20 (4) presentation of written contact information to the provider about the survey staff
129.21 conducting the survey, the supervisor, and the process for requesting a reconsideration of
129.22 the survey results;

129.23 (5) a brief tour of ~~a sample of the housing with services establishments~~ establishment
129.24 in which the provider is providing home care services;

129.25 (6) a sample selection of home care clients;

129.26 (7) information-gathering through client and staff observations, client and staff interviews,
129.27 and reviews of records, policies, procedures, practices, and other agency information;

129.28 (8) interviews of clients' family members, if available, with clients' consent when the
129.29 client can legally give consent;

129.30 (9) except for complaint surveys conducted by the Office of Health Facilities Complaints,
129.31 an ~~on-site~~ exit conference, with preliminary findings ~~shared and~~ discussed with the provider

130.1 within one business day after completion of survey activities, ~~documentation that an exit~~
 130.2 ~~conference occurred,~~ and with written information provided on the process for requesting
 130.3 a reconsideration of the survey results; and

130.4 (10) postsurvey analysis of findings and formulation of survey results, including
 130.5 correction orders when applicable.

130.6 **EFFECTIVE DATE.** This section is effective August 1, 2023.

130.7 Sec. 33. Minnesota Statutes 2022, section 144A.474, subdivision 9, is amended to read:

130.8 Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under
 130.9 subdivision 11, ~~or any violations determined to be widespread,~~ the department shall conduct
 130.10 a follow-up survey within 90 calendar days of the survey. When conducting a follow-up
 130.11 survey, the surveyor will focus on whether the previous violations have been corrected and
 130.12 may also address any new violations that are observed while evaluating the corrections that
 130.13 have been made.

130.14 **EFFECTIVE DATE.** This section is effective August 1, 2023.

130.15 Sec. 34. Minnesota Statutes 2022, section 144A.474, subdivision 12, is amended to read:

130.16 Subd. 12. **Reconsideration.** (a) The commissioner shall make available to home care
 130.17 providers a correction order reconsideration process. This process may be used to challenge
 130.18 the correction order issued, including the level and scope described in subdivision 11, and
 130.19 any fine assessed. During the correction order reconsideration request, the issuance for the
 130.20 correction orders under reconsideration are not stayed, but the department shall post
 130.21 information on the website with the correction order that the licensee has requested a
 130.22 reconsideration and that the review is pending.

130.23 (b) A licensed home care provider may request from the commissioner, in writing, a
 130.24 correction order reconsideration regarding any correction order issued to the provider. The
 130.25 written request for reconsideration must be received by the commissioner within 15 ~~calendar~~
 130.26 business days of the correction order receipt date. The correction order reconsideration shall
 130.27 not be reviewed by any surveyor, investigator, or supervisor that participated in the writing
 130.28 or reviewing of the correction order being disputed. The correction order reconsiderations
 130.29 may be conducted in person, by telephone, by another electronic form, or in writing, as
 130.30 determined by the commissioner. The commissioner shall respond in writing to the request
 130.31 from a home care provider for a correction order reconsideration within 60 days of the date

131.1 the provider requests a reconsideration. The commissioner's response shall identify the
131.2 commissioner's decision regarding each citation challenged by the home care provider.

131.3 (c) The findings of a correction order reconsideration process shall be one or more of
131.4 the following:

131.5 (1) supported in full, the correction order is supported in full, with no deletion of findings
131.6 to the citation;

131.7 (2) supported in substance, the correction order is supported, but one or more findings
131.8 are deleted or modified without any change in the citation;

131.9 (3) correction order cited an incorrect home care licensing requirement, the correction
131.10 order is amended by changing the correction order to the appropriate statutory reference;

131.11 (4) correction order was issued under an incorrect citation, the correction order is amended
131.12 to be issued under the more appropriate correction order citation;

131.13 (5) the correction order is rescinded;

131.14 (6) fine is amended, it is determined that the fine assigned to the correction order was
131.15 applied incorrectly; or

131.16 (7) the level or scope of the citation is modified based on the reconsideration.

131.17 (d) If the correction order findings are changed by the commissioner, the commissioner
131.18 shall update the correction order website.

131.19 (e) This subdivision does not apply to temporary licensees.

131.20 Sec. 35. Minnesota Statutes 2022, section 144A.4791, subdivision 10, is amended to read:

131.21 Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service
131.22 plan with a client, and the client continues to need home care services, the home care provider
131.23 shall provide the client and the client's representative, if any, with a written notice of
131.24 termination which includes the following information:

131.25 (1) the effective date of termination;

131.26 (2) the reason for termination;

131.27 (3) for clients age 18 or older, a statement that the client may contact the Office of
131.28 Ombudsman for Long-Term Care to request an advocate to assist regarding the termination
131.29 and contact information for the office, including the office's central telephone number;

132.1 ~~(3)~~ (4) a list of known licensed home care providers in the client's immediate geographic
132.2 area;

132.3 ~~(4)~~ (5) a statement that the home care provider will participate in a coordinated transfer
132.4 of care of the client to another home care provider, health care provider, or caregiver, as
132.5 required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

132.6 ~~(5)~~ (6) the name and contact information of a person employed by the home care provider
132.7 with whom the client may discuss the notice of termination; and

132.8 ~~(6)~~ (7) if applicable, a statement that the notice of termination of home care services
132.9 does not constitute notice of termination of ~~the housing with services contract with a housing~~
132.10 ~~with services establishment~~ any housing contract.

132.11 (b) When the home care provider voluntarily discontinues services to all clients, the
132.12 home care provider must notify the commissioner, lead agencies, and ombudsman for
132.13 long-term care about its clients and comply with the requirements in this subdivision.

132.14 Sec. 36. Minnesota Statutes 2022, section 148.512, subdivision 10a, is amended to read:

132.15 Subd. 10a. **Hearing aid.** "Hearing aid" means ~~an instrument~~ a prescribed aid, or any of
132.16 its parts, worn in the ear canal and designed to or represented as being able to aid ~~or enhance~~
132.17 human hearing. "Hearing aid" includes the aid's parts, attachments, or accessories, including,
132.18 but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold.
132.19 Batteries and cords are not parts, attachments, or accessories of a hearing aid. Surgically
132.20 implanted hearing aids, and assistive listening devices not worn within the ear canal, are
132.21 not hearing aids.

132.22 Sec. 37. Minnesota Statutes 2022, section 148.512, subdivision 10b, is amended to read:

132.23 Subd. 10b. **Hearing aid dispensing.** "Hearing aid dispensing" means making ear mold
132.24 impressions, prescribing, ~~or recommending~~ a hearing aid, assisting the consumer in
132.25 prescription aid selection, ~~selling hearing aids at retail~~, or testing human hearing in connection
132.26 with these activities regardless of whether the person conducting these activities has a
132.27 monetary interest in the dispensing of prescription hearing aids to the consumer. Hearing
132.28 aid dispensing does not include selling over-the-counter hearing aids.

133.1 Sec. 38. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision
133.2 to read:

133.3 Subd. 10c. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter
133.4 hearing aid" or "OTC hearing aid" has the meaning given to that term in Code of Federal
133.5 Regulations, title 21, section 800.30(b).

133.6 Sec. 39. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision
133.7 to read:

133.8 Subd. 13a. **Prescription hearing aid.** "Prescription hearing aid" means a hearing aid
133.9 requiring a prescription from a certified hearing aid dispenser or licensed audiologist that
133.10 is not an OTC hearing aid.

133.11 Sec. 40. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision
133.12 to read:

133.13 Subd. 4. **Over-the-counter hearing aids.** Nothing in sections 148.511 to 148.5198 shall
133.14 preclude licensed audiologists from dispensing or selling over-the-counter hearing aids.

133.15 Sec. 41. Minnesota Statutes 2022, section 148.515, subdivision 6, is amended to read:

133.16 **Subd. 6. Dispensing audiologist examination requirements.** (a) Audiologists are
133.17 exempt from the written examination requirement in section 153A.14, subdivision 2h,
133.18 paragraph (a), clause (1).

133.19 (b) After July 31, 2005, all applicants for audiologist licensure under sections 148.512
133.20 to 148.5198 must achieve a passing score on the practical tests of proficiency described in
133.21 section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described
133.22 in section 153A.14, subdivision 2h, paragraph (c).

133.23 (c) In order to dispense prescription hearing aids as a sole proprietor, member of a
133.24 partnership, or for a limited liability company, corporation, or any other entity organized
133.25 for profit, a licensee who obtained audiologist licensure under sections 148.512 to 148.5198,
133.26 before August 1, 2005, and who is not certified to dispense prescription hearing aids under
133.27 chapter 153A, must achieve a passing score on the practical tests of proficiency described
133.28 in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described
133.29 in section 153A.14, subdivision 2h, paragraph (c). All other audiologist licensees who
133.30 obtained licensure before August 1, 2005, are exempt from the practical tests.

134.1 (d) An applicant for an audiology license who obtains a temporary license under section
134.2 148.5175 may dispense prescription hearing aids only under supervision of a licensed
134.3 audiologist who dispenses prescription hearing aids.

134.4 Sec. 42. Minnesota Statutes 2022, section 148.5175, is amended to read:

134.5 **148.5175 TEMPORARY LICENSURE.**

134.6 (a) The commissioner shall issue temporary licensure as a speech-language pathologist,
134.7 an audiologist, or both, to an applicant who:

134.8 (1) submits a signed and dated affidavit stating that the applicant is not the subject of a
134.9 disciplinary action or past disciplinary action in this or another jurisdiction and is not
134.10 disqualified on the basis of section 148.5195, subdivision 3; and

134.11 (2) either:

134.12 (i) provides a copy of a current credential as a speech-language pathologist, an audiologist,
134.13 or both, held in the District of Columbia or a state or territory of the United States; or

134.14 (ii) provides a copy of a current certificate of clinical competence issued by the American
134.15 Speech-Language-Hearing Association or board certification in audiology by the American
134.16 Board of Audiology.

134.17 (b) A temporary license issued to a person under this subdivision expires 90 days after
134.18 it is issued or on the date the commissioner grants or denies licensure, whichever occurs
134.19 first.

134.20 (c) Upon application, a temporary license shall be renewed twice to a person who is able
134.21 to demonstrate good cause for failure to meet the requirements for licensure within the
134.22 initial temporary licensure period and who is not the subject of a disciplinary action or
134.23 disqualified on the basis of section 148.5195, subdivision 3. Good cause includes but is not
134.24 limited to inability to take and complete the required practical exam for dispensing
134.25 prescription hearing instruments aids.

134.26 (d) Upon application, a temporary license shall be issued to a person who meets the
134.27 requirements of section 148.515, subdivisions 2a and 4, but has not completed the
134.28 requirement in section 148.515, subdivision 6.

134.29 Sec. 43. Minnesota Statutes 2022, section 148.5195, subdivision 3, is amended to read:

134.30 Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may
134.31 take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

- 135.1 (1) intentionally submitted false or misleading information to the commissioner or the
135.2 advisory council;
- 135.3 (2) failed, within 30 days, to provide information in response to a written request by the
135.4 commissioner or advisory council;
- 135.5 (3) performed services of a speech-language pathologist or audiologist in an incompetent
135.6 or negligent manner;
- 135.7 (4) violated sections 148.511 to 148.5198;
- 135.8 (5) failed to perform services with reasonable judgment, skill, or safety due to the use
135.9 of alcohol or drugs, or other physical or mental impairment;
- 135.10 (6) violated any state or federal law, rule, or regulation, and the violation is a felony or
135.11 misdemeanor, an essential element of which is dishonesty, or which relates directly or
135.12 indirectly to the practice of speech-language pathology or audiology. Conviction for violating
135.13 any state or federal law which relates to speech-language pathology or audiology is
135.14 necessarily considered to constitute a violation, except as provided in chapter 364;
- 135.15 (7) aided or abetted another person in violating any provision of sections 148.511 to
135.16 148.5198;
- 135.17 (8) been or is being disciplined by another jurisdiction, if any of the grounds for the
135.18 discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;
- 135.19 (9) not cooperated with the commissioner or advisory council in an investigation
135.20 conducted according to subdivision 1;
- 135.21 (10) advertised in a manner that is false or misleading;
- 135.22 (11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated
135.23 a willful or careless disregard for the health, welfare, or safety of a client;
- 135.24 (12) failed to disclose to the consumer any fee splitting or any promise to pay a portion
135.25 of a fee to any other professional other than a fee for services rendered by the other
135.26 professional to the client;
- 135.27 (13) engaged in abusive or fraudulent billing practices, including violations of federal
135.28 Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical
135.29 assistance laws;
- 135.30 (14) obtained money, property, or services from a consumer through the use of undue
135.31 influence, high pressure sales tactics, harassment, duress, deception, or fraud;

- 136.1 (15) performed services for a client who had no possibility of benefiting from the services;
- 136.2 (16) failed to refer a client for medical evaluation or to other health care professionals
136.3 when appropriate or when a client indicated symptoms associated with diseases that could
136.4 be medically or surgically treated;
- 136.5 (17) had the certification required by chapter 153A denied, suspended, or revoked
136.6 according to chapter 153A;
- 136.7 (18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or
136.8 SLPD without having obtained the degree from an institution accredited by the North Central
136.9 Association of Colleges and Secondary Schools, the Council on Academic Accreditation
136.10 in Audiology and Speech-Language Pathology, the United States Department of Education,
136.11 or an equivalent;
- 136.12 (19) failed to comply with the requirements of section 148.5192 regarding supervision
136.13 of speech-language pathology assistants; or
- 136.14 (20) if the individual is an audiologist or certified prescription hearing instrument aid
136.15 dispenser:
- 136.16 (i) ~~prescribed or otherwise recommended~~ to a consumer or potential consumer the use
136.17 of a prescription hearing instrument aid, unless the prescription from a physician ~~or~~
136.18 ~~recommendation from~~₂ an audiologist₂ or a certified dispenser is in writing, is based on an
136.19 audiogram that is delivered to the consumer or potential consumer when the prescription
136.20 ~~or recommendation~~ is made, and bears the following information in all capital letters of
136.21 12-point or larger boldface type: "THIS PRESCRIPTION ~~OR RECOMMENDATION~~
136.22 MAY BE FILLED BY, AND PRESCRIPTION HEARING INSTRUMENTS AIDS MAY
136.23 BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER
136.24 OF YOUR CHOICE";
- 136.25 (ii) failed to give a copy of the audiogram, upon which the prescription ~~or~~
136.26 ~~recommendation~~ is based, to the consumer when the consumer requests a copy;
- 136.27 (iii) failed to provide the consumer rights brochure required by section 148.5197,
136.28 subdivision 3;
- 136.29 (iv) failed to comply with restrictions on sales of prescription hearing instruments aids
136.30 in sections 148.5197, subdivision 3, and 148.5198;
- 136.31 (v) failed to return a consumer's prescription hearing instrument aid used as a trade-in
136.32 or for a discount in the price of a new prescription hearing instrument aid when requested
136.33 by the consumer upon cancellation of the purchase agreement;

137.1 (vi) failed to follow Food and Drug Administration or Federal Trade Commission
 137.2 regulations relating to dispensing prescription hearing instruments aids;

137.3 (vii) failed to dispense a prescription hearing instrument aid in a competent manner or
 137.4 without appropriate training;

137.5 (viii) delegated prescription hearing instrument aid dispensing authority to a person not
 137.6 authorized to dispense a prescription hearing instrument aid under this chapter or chapter
 137.7 153A;

137.8 (ix) failed to comply with the requirements of an employer or supervisor of a prescription
 137.9 hearing instrument aid dispenser trainee;

137.10 (x) violated a state or federal court order or judgment, including a conciliation court
 137.11 judgment, relating to the activities of the individual's prescription hearing instrument aid
 137.12 dispensing; or

137.13 (xi) failed to include on the audiogram the practitioner's printed name, credential type,
 137.14 credential number, signature, and date.

137.15 Sec. 44. Minnesota Statutes 2022, section 148.5196, subdivision 1, is amended to read:

137.16 Subdivision 1. **Membership.** The commissioner shall appoint 12 persons to a
 137.17 Speech-Language Pathologist and Audiologist Advisory Council. The 12 persons must
 137.18 include:

137.19 (1) three public members, as defined in section 214.02. Two of the public members shall
 137.20 be either persons receiving services of a speech-language pathologist or audiologist, or
 137.21 family members of or caregivers to such persons, and at least one of the public members
 137.22 shall be either a hearing instrument aid user or an advocate of one;

137.23 (2) three speech-language pathologists licensed under sections 148.511 to 148.5198,
 137.24 one of whom is currently and has been, for the five years immediately preceding the
 137.25 appointment, engaged in the practice of speech-language pathology in Minnesota and each
 137.26 of whom is employed in a different employment setting including, but not limited to, private
 137.27 practice, hospitals, rehabilitation settings, educational settings, and government agencies;

137.28 (3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who
 137.29 is currently and has been, for the five years immediately preceding the appointment,
 137.30 employed by a Minnesota public school district or a Minnesota public school district
 137.31 consortium that is authorized by Minnesota Statutes and who is licensed in speech-language
 137.32 pathology by the Professional Educator Licensing and Standards Board;

138.1 (4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are
 138.2 currently and have been, for the five years immediately preceding the appointment, engaged
 138.3 in the practice of audiology and the dispensing of prescription hearing instruments aids in
 138.4 Minnesota and each of whom is employed in a different employment setting including, but
 138.5 not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry,
 138.6 and government agencies;

138.7 (5) one nonaudiologist prescription hearing instrument aid dispenser recommended by
 138.8 a professional association representing prescription hearing instrument aid dispensers; and

138.9 (6) one physician licensed under chapter 147 and certified by the American Board of
 138.10 Otolaryngology, Head and Neck Surgery.

138.11 Sec. 45. Minnesota Statutes 2022, section 148.5197, is amended to read:

138.12 **148.5197 HEARING AID DISPENSING.**

138.13 Subdivision 1. **Content of contracts.** Oral statements made by an audiologist or certified
 138.14 dispenser regarding the provision of warranties, refunds, and service on the prescription
 138.15 hearing aid or aids dispensed must be written on, and become part of, the contract of sale,
 138.16 specify the item or items covered, and indicate the person or business entity obligated to
 138.17 provide the warranty, refund, or service.

138.18 Subd. 2. **Required use of license number.** The audiologist's license number or certified
 138.19 dispenser's certificate number must appear on all contracts, bills of sale, and receipts used
 138.20 in the sale of prescription hearing aids.

138.21 Subd. 3. **Consumer rights information.** An audiologist or certified dispenser shall, at
 138.22 the time of the ~~recommendation~~ or prescription, give a consumer rights brochure, prepared
 138.23 by the commissioner and containing information about legal requirements pertaining to
 138.24 dispensing of prescription hearing aids, to each potential consumer of a prescription hearing
 138.25 aid. The brochure must contain information about the consumer information center described
 138.26 in section 153A.18. A contract for a prescription hearing aid must note the receipt of the
 138.27 brochure by the consumer, along with the consumer's signature or initials.

138.28 Subd. 4. **Liability for contracts.** Owners of entities in the business of dispensing
 138.29 prescription hearing aids, employers of audiologists or persons who dispense prescription
 138.30 hearing aids, supervisors of trainees or audiology students, and hearing aid dispensers
 138.31 conducting the transaction at issue are liable for satisfying all terms of contracts, written or
 138.32 oral, made by their agents, employees, assignees, affiliates, or trainees, including terms
 138.33 relating to products, repairs, warranties, service, and refunds. The commissioner may enforce

139.1 the terms of prescription hearing aid contracts against the principal, employer, supervisor,
139.2 or dispenser who conducted the transaction and may impose any remedy provided for in
139.3 this chapter.

139.4 Sec. 46. Minnesota Statutes 2022, section 148.5198, is amended to read:

139.5 **148.5198 RESTRICTION ON SALE OF PRESCRIPTION HEARING AIDS.**

139.6 Subdivision 1. **45-calendar-day guarantee and buyer right to cancel.** (a) An audiologist
139.7 or certified dispenser dispensing a prescription hearing aid in this state must comply with
139.8 paragraphs (b) and (c).

139.9 (b) The audiologist or certified dispenser must provide the buyer with a 45-calendar-day
139.10 written money-back guarantee. The guarantee must permit the buyer to cancel the purchase
139.11 for any reason within 45 calendar days after receiving the prescription hearing aid by giving
139.12 or mailing written notice of cancellation to the audiologist or certified dispenser. If the buyer
139.13 mails the notice of cancellation, the 45-calendar-day period is counted using the postmark
139.14 date, to the date of receipt by the audiologist or certified dispenser. If the prescription hearing
139.15 aid must be repaired, remade, or adjusted during the 45-calendar-day money-back guarantee
139.16 period, the running of the 45-calendar-day period is suspended one day for each 24-hour
139.17 period that the prescription hearing aid is not in the buyer's possession. A repaired, remade,
139.18 or adjusted prescription hearing aid must be claimed by the buyer within three business
139.19 days after notification of availability, after which time the running of the 45-calendar-day
139.20 period resumes. The guarantee must entitle the buyer, upon cancellation, to receive a refund
139.21 of payment within 30 days of return of the prescription hearing aid to the audiologist or
139.22 certified dispenser. The audiologist or certified dispenser may retain as a cancellation fee
139.23 no more than \$250 of the buyer's total purchase price of the prescription hearing aid.

139.24 (c) The audiologist or certified dispenser shall provide the buyer with a contract written
139.25 in plain English, that contains uniform language and provisions that meet the requirements
139.26 under the Plain Language Contract Act, sections 325G.29 to 325G.36. The contract must
139.27 include, but is not limited to, the following: in immediate proximity to the space reserved
139.28 for the signature of the buyer, or on the first page if there is no space reserved for the
139.29 signature of the buyer, a clear and conspicuous disclosure of the following specific statement
139.30 in all capital letters of no less than 12-point boldface type: "MINNESOTA STATE LAW
139.31 GIVES THE BUYER THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON
139.32 AT ANY TIME PRIOR TO MIDNIGHT OF THE 45TH CALENDAR DAY AFTER
139.33 RECEIPT OF THE PRESCRIPTION HEARING AID(S). THIS CANCELLATION MUST
139.34 BE IN WRITING AND MUST BE GIVEN OR MAILED TO THE AUDIOLOGIST OR

140.1 CERTIFIED DISPENSER. IF THE BUYER DECIDES TO RETURN THE PRESCRIPTION
140.2 HEARING AID(S) WITHIN THIS 45-CALENDAR-DAY PERIOD, THE BUYER WILL
140.3 RECEIVE A REFUND OF THE TOTAL PURCHASE PRICE OF THE AID(S) FROM
140.4 WHICH THE AUDIOLOGIST OR CERTIFIED DISPENSER MAY RETAIN AS A
140.5 CANCELLATION FEE NO MORE THAN \$250."

140.6 Subd. 2. **Itemized repair bill.** Any audiologist, certified dispenser, or company who
140.7 agrees to repair a prescription hearing aid must provide the owner of the prescription hearing
140.8 aid, or the owner's representative, with a bill that describes the repair and services rendered.
140.9 The bill must also include the repairing audiologist's, certified dispenser's, or company's
140.10 name, address, and telephone number.

140.11 This subdivision does not apply to an audiologist, certified dispenser, or company that
140.12 repairs a prescription hearing aid pursuant to an express warranty covering the entire
140.13 prescription hearing aid and the warranty covers the entire cost, both parts and labor, of the
140.14 repair.

140.15 Subd. 3. **Repair warranty.** Any guarantee of prescription hearing aid repairs must be
140.16 in writing and delivered to the owner of the prescription hearing aid, or the owner's
140.17 representative, stating the repairing audiologist's, certified dispenser's, or company's name,
140.18 address, telephone number, length of guarantee, model, and serial number of the prescription
140.19 hearing aid and all other terms and conditions of the guarantee.

140.20 Subd. 4. **Misdemeanor.** A person found to have violated this section is guilty of a
140.21 misdemeanor.

140.22 Subd. 5. **Additional.** In addition to the penalty provided in subdivision 4, a person found
140.23 to have violated this section is subject to the penalties and remedies provided in section
140.24 325F.69, subdivision 1.

140.25 Subd. 6. **Estimates.** Upon the request of the owner of a prescription hearing aid or the
140.26 owner's representative for a written estimate and prior to the commencement of repairs, a
140.27 repairing audiologist, certified dispenser, or company shall provide the customer with a
140.28 written estimate of the price of repairs. If a repairing audiologist, certified dispenser, or
140.29 company provides a written estimate of the price of repairs, it must not charge more than
140.30 the total price stated in the estimate for the repairs. If the repairing audiologist, certified
140.31 dispenser, or company after commencing repairs determines that additional work is necessary
140.32 to accomplish repairs that are the subject of a written estimate and if the repairing audiologist,
140.33 certified dispenser, or company did not unreasonably fail to disclose the possible need for
140.34 the additional work when the estimate was made, the repairing audiologist, certified

141.1 dispenser, or company may charge more than the estimate for the repairs if the repairing
 141.2 audiologist, certified dispenser, or company immediately provides the owner or owner's
 141.3 representative a revised written estimate pursuant to this section and receives authorization
 141.4 to continue with the repairs. If continuation of the repairs is not authorized, the repairing
 141.5 audiologist, certified dispenser, or company shall return the prescription hearing aid as close
 141.6 as possible to its former condition and shall release the prescription hearing aid to the owner
 141.7 or owner's representative upon payment of charges for repairs actually performed and not
 141.8 in excess of the original estimate.

141.9 Sec. 47. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

141.10 Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed
 141.11 physician, a licensed advanced practice registered nurse authorized to prescribe drugs
 141.12 pursuant to section 148.235, or a licensed physician assistant may authorize the following
 141.13 individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- 141.14 (1) an emergency medical responder registered pursuant to section 144E.27;
- 141.15 (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
- 141.16 (3) correctional employees of a state or local political subdivision;
- 141.17 (4) staff of community-based health disease prevention or social service programs;
- 141.18 (5) a volunteer firefighter; and
- 141.19 (6) a ~~licensed school nurse or certified public health nurse~~ any other personnel employed
 141.20 by, or under contract with, a ~~school board under section 121A.21~~ charter, public, or private
 141.21 school.

141.22 (b) For the purposes of this subdivision, opiate antagonists may be administered by one
 141.23 of these individuals only if:

- 141.24 (1) the licensed physician, licensed physician assistant, or licensed advanced practice
 141.25 registered nurse has issued a standing order to, or entered into a protocol with, the individual;
 141.26 and

141.27 (2) the individual has training in the recognition of signs of opiate overdose and the use
 141.28 of opiate antagonists as part of the emergency response to opiate overdose.

141.29 (c) Nothing in this section prohibits the possession and administration of naloxone
 141.30 pursuant to section 604A.04.

142.1 (d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is
 142.2 authorized to possess and administer according to this subdivision an opiate antagonist in
 142.3 a school setting.

142.4 Sec. 48. Minnesota Statutes 2022, section 152.28, subdivision 1, is amended to read:

142.5 Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in
 142.6 the registry program, a health care practitioner shall:

142.7 (1) determine, in the health care practitioner's medical judgment, whether a patient suffers
 142.8 from a qualifying medical condition, and, if so determined, provide the patient with a
 142.9 certification of that diagnosis;

142.10 (2) advise patients, registered designated caregivers, and parents, legal guardians, or
 142.11 spouses who are acting as caregivers of the existence of any nonprofit patient support groups
 142.12 or organizations;

142.13 (3) provide explanatory information from the commissioner to patients with qualifying
 142.14 medical conditions, including disclosure to all patients about the experimental nature of
 142.15 therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the
 142.16 proposed treatment; the application and other materials from the commissioner; and provide
 142.17 patients with the Tennessee warning as required by section 13.04, subdivision 2; and

142.18 (4) agree to continue treatment of the patient's qualifying medical condition and report
 142.19 medical findings to the commissioner.

142.20 (b) Upon notification from the commissioner of the patient's enrollment in the registry
 142.21 program, the health care practitioner shall:

142.22 (1) participate in the patient registry reporting system under the guidance and supervision
 142.23 of the commissioner;

142.24 (2) report health records of the patient throughout the ongoing treatment of the patient
 142.25 to the commissioner in a manner determined by the commissioner and in accordance with
 142.26 subdivision 2;

142.27 (3) determine, on a yearly basis, if the patient continues to suffer from a qualifying
 142.28 medical condition and, if so, issue the patient a new certification of that diagnosis; and

142.29 (4) otherwise comply with all requirements developed by the commissioner.

142.30 (c) A health care practitioner may ~~conduct a patient assessment to issue a recertification~~
 142.31 ~~as required under paragraph (b), clause (3), via~~ utilize telehealth, as defined in section
 142.32 62A.673, subdivision 2, for certifications and recertifications.

143.1 (d) Nothing in this section requires a health care practitioner to participate in the registry
143.2 program.

143.3 Sec. 49. Minnesota Statutes 2022, section 152.29, subdivision 3a, is amended to read:

143.4 Subd. 3a. **Transportation of medical cannabis; transport staffing.** (a) A medical
143.5 cannabis manufacturer may staff a transport motor vehicle with only one employee if the
143.6 medical cannabis manufacturer is transporting medical cannabis to either a certified
143.7 laboratory for the purpose of testing or a facility for the purpose of disposal. If the medical
143.8 cannabis manufacturer is transporting medical cannabis for any other purpose or destination,
143.9 the transport motor vehicle must be staffed with a minimum of two employees as required
143.10 by rules adopted by the commissioner.

143.11 (b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only
143.12 transporting hemp for any purpose may staff the transport motor vehicle with only one
143.13 employee.

143.14 (c) A medical cannabis manufacturer may contract with a third party for armored car
143.15 services for deliveries of medical cannabis from its production facility to distribution
143.16 facilities. A medical cannabis manufacturer that contracts for armored car services remains
143.17 responsible for the transportation manifest and inventory tracking requirements in rules
143.18 adopted by the commissioner.

143.19 (d) Department of Health staff may transport medical cannabis for the purposes of
143.20 delivering medical cannabis and other samples to a laboratory for testing under rules adopted
143.21 by the commissioner and in cases of special investigations when the commissioner has
143.22 determined there is a potential threat to public health. The transport motor vehicle must be
143.23 staffed with a minimum of two Department of Health employees. The employees must carry
143.24 with them their Department of Health identification card and a transport manifest.

143.25 Sec. 50. Minnesota Statutes 2022, section 153A.13, subdivision 3, is amended to read:

143.26 Subd. 3. **Hearing instrument aid.** "Hearing instrument aid" means an instrument, ~~or~~
143.27 ~~any of its parts, worn in the ear canal and designed to or represented as being able to aid or~~
143.28 ~~enhance human hearing. "Hearing instrument" includes the instrument's parts, attachments,~~
143.29 ~~or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices~~
143.30 ~~with or without an ear mold. Batteries and cords are not parts, attachments, or accessories~~
143.31 ~~of a hearing instrument. Surgically implanted hearing instruments, and assistive listening~~
143.32 ~~devices not worn within the ear canal, are not hearing instruments. as defined in section~~
143.33 148.512, subdivision 10a.

144.1 Sec. 51. Minnesota Statutes 2022, section 153A.13, subdivision 4, is amended to read:

144.2 Subd. 4. **Hearing ~~instrument aid~~ dispensing.** "Hearing instrument aid dispensing"
 144.3 ~~means making ear mold impressions, prescribing, or recommending a hearing instrument,~~
 144.4 ~~assisting the consumer in instrument selection, selling hearing instruments at retail, or testing~~
 144.5 ~~human hearing in connection with these activities regardless of whether the person conducting~~
 144.6 ~~these activities has a monetary interest in the sale of hearing instruments to the consumer.~~
 144.7 has the meaning given in section 148.512, subdivision 10b.

144.8 Sec. 52. Minnesota Statutes 2022, section 153A.13, subdivision 5, is amended to read:

144.9 Subd. 5. **Dispenser of hearing ~~instruments~~ aids.** "Dispenser of hearing ~~instruments~~
 144.10 aids" means a natural person who engages in prescription hearing instrument aid dispensing,
 144.11 whether or not certified by the commissioner of health or licensed by an existing
 144.12 health-related board, except that a person described as follows is not a dispenser of
 144.13 prescription hearing instruments aids:

144.14 (1) a student participating in supervised field work that is necessary to meet requirements
 144.15 of an accredited educational program if the student is designated by a title which clearly
 144.16 indicates the student's status as a student trainee; or

144.17 (2) a person who helps a dispenser of prescription hearing instruments aids in an
 144.18 administrative or clerical manner and does not engage in prescription hearing instrument
 144.19 aid dispensing.

144.20 A person who offers to dispense a prescription hearing instrument aid, or a person who
 144.21 advertises, holds out to the public, or otherwise represents that the person is authorized to
 144.22 dispense prescription hearing instruments aids, must be certified by the commissioner except
 144.23 when the person is an audiologist as defined in section 148.512.

144.24 Sec. 53. Minnesota Statutes 2022, section 153A.13, subdivision 6, is amended to read:

144.25 Subd. 6. **Advisory council.** "Advisory council" means the Minnesota Hearing ~~Instrument~~
 144.26 Aid Dispenser Advisory Council, or a committee of ~~it~~ the council, established under section
 144.27 153A.20.

144.28 Sec. 54. Minnesota Statutes 2022, section 153A.13, subdivision 7, is amended to read:

144.29 Subd. 7. **ANSI.** "ANSI" means ~~ANSI S3.6-1989~~, American National Standard
 144.30 Specification for Audiometers ~~from the American National Standards Institute. This~~
 144.31 ~~document is available through the Minitex interlibrary loan system~~ as defined in the United

145.1 States Food and Drug Administration, Code of Federal Regulations, title 21, section
145.2 874.1050.

145.3 Sec. 55. Minnesota Statutes 2022, section 153A.13, subdivision 9, is amended to read:

145.4 Subd. 9. **Supervision.** "Supervision" means monitoring activities of, and accepting
145.5 responsibility for, the prescription hearing instrument aid dispensing activities of a trainee.

145.6 Sec. 56. Minnesota Statutes 2022, section 153A.13, subdivision 10, is amended to read:

145.7 Subd. 10. **Direct supervision or directly supervised.** "Direct supervision" or "directly
145.8 supervised" means the on-site and contemporaneous location of a supervisor and trainee,
145.9 when the supervisor observes the trainee engaging in prescription hearing instrument aid
145.10 dispensing with a consumer.

145.11 Sec. 57. Minnesota Statutes 2022, section 153A.13, subdivision 11, is amended to read:

145.12 Subd. 11. **Indirect supervision or indirectly supervised.** "Indirect supervision" or
145.13 "indirectly supervised" means the remote and independent performance of prescription
145.14 hearing instrument aid dispensing by a trainee when authorized under section 153A.14,
145.15 subdivision 4a, paragraph (b).

145.16 Sec. 58. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision
145.17 to read:

145.18 Subd. 12. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter
145.19 hearing aid" or "OTC hearing aid" has the meaning given in section 148.512, subdivision
145.20 10c.

145.21 Sec. 59. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision
145.22 to read:

145.23 Subd. 13. **Prescription hearing aid.** "Prescription hearing aid" has the meaning given
145.24 in section 148.512, subdivision 13a.

145.25 Sec. 60. Minnesota Statutes 2022, section 153A.14, subdivision 1, is amended to read:

145.26 Subdivision 1. **Application for certificate.** An applicant must:

145.27 (1) be 21 years of age or older;

146.1 (2) apply to the commissioner for a certificate to dispense prescription hearing instruments
146.2 aids on application forms provided by the commissioner;

146.3 (3) at a minimum, provide the applicant's name, Social Security number, business address
146.4 and phone number, employer, and information about the applicant's education, training,
146.5 and experience in testing human hearing and fitting prescription hearing instruments aids;

146.6 (4) include with the application a statement that the statements in the application are
146.7 true and correct to the best of the applicant's knowledge and belief;

146.8 (5) include with the application a written and signed authorization that authorizes the
146.9 commissioner to make inquiries to appropriate regulatory agencies in this or any other state
146.10 where the applicant has sold prescription hearing instruments aids;

146.11 (6) submit certification to the commissioner that the applicant's audiometric equipment
146.12 has been calibrated to meet current ANSI standards within 12 months of the date of the
146.13 application;

146.14 (7) submit evidence of continuing education credits, if required;

146.15 (8) submit all fees as required under section 153A.17; and

146.16 (9) consent to a fingerprint-based criminal history records check required under section
146.17 144.0572, pay all required fees, and cooperate with all requests for information. An applicant
146.18 must complete a new criminal background check if more than one year has elapsed since
146.19 the applicant last applied for a license.

146.20 Sec. 61. Minnesota Statutes 2022, section 153A.14, subdivision 2, is amended to read:

146.21 Subd. 2. **Issuance of certificate.** (a) The commissioner shall issue a certificate to each
146.22 dispenser of prescription hearing instruments aids who applies under subdivision 1 if the
146.23 commissioner determines that the applicant is in compliance with this chapter, has passed
146.24 an examination administered by the commissioner, has met the continuing education
146.25 requirements, if required, and has paid the fee set by the commissioner. The commissioner
146.26 may reject or deny an application for a certificate if there is evidence of a violation or failure
146.27 to comply with this chapter.

146.28 (b) The commissioner shall not issue a certificate to an applicant who refuses to consent
146.29 to a criminal history background check as required by section 144.0572 within 90 days after
146.30 submission of an application or fails to submit fingerprints to the Department of Human
146.31 Services. Any fees paid by the applicant to the Department of Health shall be forfeited if
146.32 the applicant refuses to consent to the background study.

147.1 Sec. 62. Minnesota Statutes 2022, section 153A.14, subdivision 2h, is amended to read:

147.2 Subd. 2h. **Certification by examination.** An applicant must achieve a passing score,
147.3 as determined by the commissioner, on an examination according to paragraphs (a) to (c).

147.4 (a) The examination must include, but is not limited to:

147.5 (1) A written examination approved by the commissioner covering the following areas
147.6 as they pertain to prescription hearing instrument aid selling:

147.7 (i) basic physics of sound;

147.8 (ii) the anatomy and physiology of the ear;

147.9 (iii) the function of prescription hearing instruments aids; and

147.10 (iv) the principles of prescription hearing instrument aid selection.

147.11 (2) Practical tests of proficiency in the following techniques as they pertain to prescription
147.12 hearing instrument aid selling:

147.13 (i) pure tone audiometry, including air conduction testing and bone conduction testing;

147.14 (ii) live voice or recorded voice speech audiometry including speech recognition
147.15 (discrimination) testing, most comfortable loudness level, and uncomfortable loudness
147.16 measurements of tolerance thresholds;

147.17 (iii) masking when indicated;

147.18 (iv) recording and evaluation of audiograms and speech audiometry to determine proper
147.19 selection and fitting of a prescription hearing instrument aid;

147.20 (v) taking ear mold impressions;

147.21 (vi) using an otoscope for the visual observation of the entire ear canal; and

147.22 (vii) state and federal laws, rules, and regulations.

147.23 (b) The practical examination shall be administered by the commissioner at least twice
147.24 a year.

147.25 (c) An applicant must achieve a passing score on all portions of the examination within
147.26 a two-year period. An applicant who does not achieve a passing score on all portions of the
147.27 examination within a two-year period must retake the entire examination and achieve a
147.28 passing score on each portion of the examination. An applicant who does not apply for
147.29 certification within one year of successful completion of the examination must retake the
147.30 examination and achieve a passing score on each portion of the examination. An applicant

148.1 may not take any part of the practical examination more than three times in a two-year
148.2 period.

148.3 Sec. 63. Minnesota Statutes 2022, section 153A.14, subdivision 2i, is amended to read:

148.4 Subd. 2i. **Continuing education requirement.** On forms provided by the commissioner,
148.5 each certified dispenser must submit with the application for renewal of certification evidence
148.6 of completion of ten course hours of continuing education earned within the 12-month
148.7 period of November 1 to October 31, between the effective and expiration dates of
148.8 certification. Continuing education courses must be directly related to prescription hearing
148.9 ~~instrument aid~~ dispensing and approved by the International Hearing Society, the American
148.10 Speech-Language-Hearing Association, or the American Academy of Audiology. Evidence
148.11 of completion of the ten course hours of continuing education must be submitted by
148.12 December 1 of each year. This requirement does not apply to dispensers certified for less
148.13 than one year.

148.14 Sec. 64. Minnesota Statutes 2022, section 153A.14, subdivision 2j, is amended to read:

148.15 Subd. 2j. **Required use of certification number.** The certification holder must use the
148.16 certification number on all contracts, bills of sale, and receipts used in the sale of prescription
148.17 ~~hearing instruments~~ aids.

148.18 Sec. 65. Minnesota Statutes 2022, section 153A.14, subdivision 4, is amended to read:

148.19 Subd. 4. **Dispensing of prescription hearing instruments aids without**
148.20 **certificate.** Except as provided in subdivisions 4a and 4c, and in sections 148.512 to
148.21 148.5198, it is unlawful for any person not holding a valid certificate to dispense a
148.22 prescription hearing instrument aid as defined in section 153A.13, subdivision 3. A person
148.23 who dispenses a prescription hearing instrument aid without the certificate required by this
148.24 section is guilty of a gross misdemeanor.

148.25 Sec. 66. Minnesota Statutes 2022, section 153A.14, subdivision 4a, is amended to read:

148.26 Subd. 4a. **Trainees.** (a) A person who is not certified under this section may dispense
148.27 prescription hearing instruments aids as a trainee for a period not to exceed 12 months if
148.28 the person:

148.29 (1) submits an application on forms provided by the commissioner;

148.30 (2) is under the supervision of a certified dispenser meeting the requirements of this
148.31 subdivision;

149.1 (3) meets all requirements for certification except passage of the examination required
149.2 by this section; and

149.3 (4) uses the title "dispenser trainee" in contacts with the patients, clients, or consumers.

149.4 (b) A certified prescription hearing instrument aid dispenser may not supervise more
149.5 than two trainees at the same time and may not directly supervise more than one trainee at
149.6 a time. The certified dispenser is responsible for all actions or omissions of a trainee in
149.7 connection with the dispensing of prescription hearing instruments aids. A certified dispenser
149.8 may not supervise a trainee if there are any commissioner, court, or other orders, currently
149.9 in effect or issued within the last five years, that were issued with respect to an action or
149.10 omission of a certified dispenser or a trainee under the certified dispenser's supervision.

149.11 Until taking and passing the practical examination testing the techniques described in
149.12 subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas
149.13 described in subdivision 4b, and the activities tested by the practical examination. Thereafter,
149.14 trainees may dispense prescription hearing instruments aids under indirect supervision until
149.15 expiration of the trainee period. Under indirect supervision, the trainee must complete two
149.16 monitored activities a week. Monitored activities may be executed by correspondence,
149.17 telephone, or other telephonic devices, and include, but are not limited to, evaluation of
149.18 audiograms, written reports, and contracts. The time spent in supervision must be recorded
149.19 and the record retained by the supervisor.

149.20 Sec. 67. Minnesota Statutes 2022, section 153A.14, subdivision 4b, is amended to read:

149.21 Subd. 4b. **Prescription hearing testing protocol**. A dispenser when conducting a hearing
149.22 test for the purpose of prescription hearing instrument aid dispensing must:

149.23 (1) comply with the United States Food and Drug Administration warning regarding
149.24 potential medical conditions required by Code of Federal Regulations, title 21, section
149.25 ~~801.420~~ 801.422;

149.26 (2) complete a case history of the client's hearing;

149.27 (3) inspect the client's ears with an otoscope; and

149.28 (4) conduct the following tests on both ears of the client and document the results, and
149.29 if for any reason one of the following tests cannot be performed pursuant to the United
149.30 States Food and Drug Administration guidelines, an audiologist shall evaluate the hearing
149.31 and the need for a prescription hearing instrument aid:

150.1 (i) air conduction at 250, 500, 1,000, 2,000, 4,000, and 8,000 Hertz. When a difference
150.2 of 20 dB or more occurs between adjacent octave frequencies the interoctave frequency
150.3 must be tested;

150.4 (ii) bone conduction at 500, 1,000, 2,000, and 4,000 Hertz for any frequency where the
150.5 air conduction threshold is greater than 15 dB HL;

150.6 (iii) monaural word recognition (discrimination), with a minimum of 25 words presented
150.7 for each ear; and

150.8 (iv) loudness discomfort level, monaural, for setting a prescription hearing instrument's
150.9 aid's maximum power output; and

150.10 (5) include masking in all tests whenever necessary to ensure accurate results.

150.11 Sec. 68. Minnesota Statutes 2022, section 153A.14, subdivision 4c, is amended to read:

150.12 Subd. 4c. **Reciprocity.** (a) A person who has dispensed prescription hearing instruments
150.13 aids in another jurisdiction may dispense prescription hearing instruments aids as a trainee
150.14 under indirect supervision if the person:

150.15 (1) satisfies the provisions of subdivision 4a, paragraph (a);

150.16 (2) submits a signed and dated affidavit stating that the applicant is not the subject of a
150.17 disciplinary action or past disciplinary action in this or another jurisdiction and is not
150.18 disqualified on the basis of section 153A.15, subdivision 1; and

150.19 (3) provides a copy of a current credential as a prescription hearing instrument aid
150.20 dispenser held in the District of Columbia or a state or territory of the United States.

150.21 (b) A person becoming a trainee under this subdivision who fails to take and pass the
150.22 practical examination described in subdivision 2h, paragraph (a), clause (2), when next
150.23 offered must cease dispensing prescription hearing instruments aids unless under direct
150.24 supervision.

150.25 Sec. 69. Minnesota Statutes 2022, section 153A.14, subdivision 4e, is amended to read:

150.26 Subd. 4e. **Prescription hearing aids; enforcement.** Costs incurred by the Minnesota
150.27 Department of Health for conducting investigations of unlicensed prescription hearing aid
150.28 dispensers dispensing shall be apportioned between all licensed or credentialed professions
150.29 that dispense prescription hearing aids.

151.1 Sec. 70. Minnesota Statutes 2022, section 153A.14, subdivision 6, is amended to read:

151.2 Subd. 6. **Prescription hearing instruments aids to comply with federal and state**
151.3 **requirements.** The commissioner shall ensure that prescription hearing instruments aids
151.4 are dispensed in compliance with state requirements and the requirements of the United
151.5 States Food and Drug Administration. Failure to comply with state or federal regulations
151.6 may be grounds for enforcement actions under section 153A.15, subdivision 2.

151.7 Sec. 71. Minnesota Statutes 2022, section 153A.14, subdivision 9, is amended to read:

151.8 Subd. 9. **Consumer rights.** A prescription hearing instrument aid dispenser shall comply
151.9 with the requirements of sections 148.5195, subdivision 3, clause (20); 148.5197; and
151.10 148.5198.

151.11 Sec. 72. Minnesota Statutes 2022, section 153A.14, subdivision 11, is amended to read:

151.12 Subd. 11. **Requirement to maintain current information.** A dispenser must notify the
151.13 commissioner in writing within 30 days of the occurrence of any of the following:

151.14 (1) a change of name, address, home or business telephone number, or business name;

151.15 (2) the occurrence of conduct prohibited by section 153A.15;

151.16 (3) a settlement, conciliation court judgment, or award based on negligence, intentional
151.17 acts, or contractual violations committed in the dispensing of prescription hearing instruments
151.18 aids by the dispenser; and

151.19 (4) the cessation of prescription hearing instrument aid dispensing activities as an
151.20 individual or a business.

151.21 Sec. 73. Minnesota Statutes 2022, section 153A.14, is amended by adding a subdivision
151.22 to read:

151.23 **Subd. 12. Over-the-counter hearing aids.** Nothing in this chapter shall preclude certified
151.24 hearing aid dispensers from dispensing or selling over-the-counter hearing aids.

151.25 Sec. 74. Minnesota Statutes 2022, section 153A.15, subdivision 1, is amended to read:

151.26 Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as
151.27 provided under subdivision 2 against a dispenser of prescription hearing instruments aids
151.28 for the following acts and conduct:

- 152.1 (1) dispensing a prescription hearing instrument aid to a minor person 18 years or younger
152.2 unless evaluated by an audiologist for hearing evaluation and prescription hearing aid
152.3 evaluation;
- 152.4 (2) being disciplined through a revocation, suspension, restriction, or limitation by
152.5 another state for conduct subject to action under this chapter;
- 152.6 (3) presenting advertising that is false or misleading;
- 152.7 (4) providing the commissioner with false or misleading statements of credentials,
152.8 training, or experience;
- 152.9 (5) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating
152.10 a willful or careless disregard for the health, welfare, or safety of a consumer;
- 152.11 (6) splitting fees or promising to pay a portion of a fee to any other professional other
152.12 than a fee for services rendered by the other professional to the client;
- 152.13 (7) engaging in abusive or fraudulent billing practices, including violations of federal
152.14 Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical
152.15 assistance laws;
- 152.16 (8) obtaining money, property, or services from a consumer through the use of undue
152.17 influence, high pressure sales tactics, harassment, duress, deception, or fraud;
- 152.18 (9) performing the services of a certified hearing instrument aid dispenser in an
152.19 incompetent or negligent manner;
- 152.20 (10) failing to comply with the requirements of this chapter as an employer, supervisor,
152.21 or trainee;
- 152.22 (11) failing to provide information in a timely manner in response to a request by the
152.23 commissioner, commissioner's designee, or the advisory council;
- 152.24 (12) being convicted within the past five years of violating any laws of the United States,
152.25 or any state or territory of the United States, and the violation is a felony, gross misdemeanor,
152.26 or misdemeanor, an essential element of which relates to prescription hearing instrument
152.27 aid dispensing, except as provided in chapter 364;
- 152.28 (13) failing to cooperate with the commissioner, the commissioner's designee, or the
152.29 advisory council in any investigation;
- 152.30 (14) failing to perform prescription hearing instrument aid dispensing with reasonable
152.31 judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental
152.32 impairment;

153.1 (15) failing to fully disclose actions taken against the applicant or the applicant's legal
153.2 authorization to dispense prescription hearing instruments aids in this or another state;

153.3 (16) violating a state or federal court order or judgment, including a conciliation court
153.4 judgment, relating to the activities of the applicant in prescription hearing instrument aid
153.5 dispensing;

153.6 (17) having been or being disciplined by the commissioner of the Department of Health,
153.7 or other authority, in this or another jurisdiction, if any of the grounds for the discipline are
153.8 the same or substantially equivalent to those in sections 153A.13 to 153A.18;

153.9 (18) misrepresenting the purpose of hearing tests, or in any way communicating that the
153.10 hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical
153.11 evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a
153.12 test to select a prescription hearing instrument aid, except that the prescription hearing
153.13 instrument aid dispenser can determine the need for or recommend the consumer obtain a
153.14 medical evaluation consistent with requirements of the United States Food and Drug
153.15 Administration;

153.16 (19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20);
153.17 148.5197; 148.5198; and 153A.13 to 153A.18; and

153.18 (20) aiding or abetting another person in violating any of the provisions of sections
153.19 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

153.20 Sec. 75. Minnesota Statutes 2022, section 153A.15, subdivision 2, is amended to read:

153.21 Subd. 2. **Enforcement actions.** When the commissioner finds that a dispenser of
153.22 prescription hearing instruments aids has violated one or more provisions of this chapter,
153.23 the commissioner may do one or more of the following:

153.24 (1) deny or reject the application for a certificate;

153.25 (2) revoke the certificate;

153.26 (3) suspend the certificate;

153.27 (4) impose, for each violation, a civil penalty that deprives the dispenser of any economic
153.28 advantage gained by the violation and that reimburses the Department of Health for costs
153.29 of the investigation and proceeding resulting in disciplinary action, including the amount
153.30 paid for services of the Office of Administrative Hearings, the amount paid for services of
153.31 the Office of the Attorney General, attorney fees, court reporters, witnesses, reproduction

154.1 of records, advisory council members' per diem compensation, department staff time, and
 154.2 expenses incurred by advisory council members and department staff;

154.3 (5) censure or reprimand the dispenser;

154.4 (6) revoke or suspend the right to supervise trainees;

154.5 (7) revoke or suspend the right to be a trainee;

154.6 (8) impose a civil penalty not to exceed \$10,000 for each separate violation; or

154.7 (9) any other action reasonably justified by the individual case.

154.8 Sec. 76. Minnesota Statutes 2022, section 153A.15, subdivision 4, is amended to read:

154.9 Subd. 4. **Penalties.** Except as provided in section 153A.14, subdivision 4, a person
 154.10 violating this chapter is guilty of a misdemeanor. The commissioner may impose an automatic
 154.11 civil penalty equal to one-fourth the renewal fee on each prescription hearing instrument
 154.12 seller aid dispenser who fails to renew the certificate required in section 153A.14 by the
 154.13 renewal deadline.

154.14 Sec. 77. Minnesota Statutes 2022, section 153A.17, is amended to read:

154.15 **153A.17 EXPENSES; FEES.**

154.16 (a) The expenses for administering the certification requirements, including the complaint
 154.17 handling system for prescription hearing aid dispensers in sections 153A.14 and 153A.15,
 154.18 and the Consumer Information Center under section 153A.18, must be paid from initial
 154.19 application and examination fees, renewal fees, penalties, and fines. The commissioner shall
 154.20 only use fees collected under this section for the purposes of administering this chapter.
 154.21 The legislature must not transfer money generated by these fees from the state government
 154.22 special revenue fund to the general fund. ~~Surcharges collected by the commissioner of health~~
 154.23 ~~under section 16E.22 are not subject to this paragraph.~~

154.24 (b) The fees are as follows:

154.25 (1) the initial certification application fee is \$772.50;

154.26 (2) the annual renewal certification application fee is \$750;

154.27 (3) the initial examination fee for the practical portion is \$1,200, and \$600 for each time
 154.28 it is taken, thereafter; for individuals meeting the requirements of section 148.515, subdivision
 154.29 2, the fee for the practical portion of the prescription hearing instrument aid dispensing
 154.30 examination is \$600 each time it is taken;

155.1 (4) the trainee application fee is \$230;

155.2 (5) the penalty fee for late submission of a renewal application is \$260; and

155.3 (6) the fee for verification of certification to other jurisdictions or entities is \$25.

155.4 (c) The commissioner may prorate the certification fee for new applicants based on the
155.5 number of quarters remaining in the annual certification period.

155.6 (d) All fees are nonrefundable. All fees, penalties, and fines received must be deposited
155.7 in the state government special revenue fund.

155.8 (e) Hearing instrument dispensers who were certified before January 1, 2018, shall pay
155.9 a onetime surcharge of \$22.50 to renew their certification when it expires after October 31,
155.10 2020. The surcharge shall cover the commissioner's costs associated with criminal
155.11 background checks.

155.12 Sec. 78. Minnesota Statutes 2022, section 153A.175, is amended to read:

155.13 **153A.175 PENALTY FEES.**

155.14 (a) The penalty fee for holding oneself out as a hearing ~~instrument~~ aid dispenser without
155.15 a current certificate after the credential has expired and before it is renewed is one-half the
155.16 amount of the certificate renewal fee for any part of the first day, plus one-half the certificate
155.17 renewal fee for any part of any subsequent days up to 30 days.

155.18 (b) The penalty fee for applicants who hold themselves out as hearing ~~instrument~~ aid
155.19 dispensers after expiration of the trainee period and before being issued a certificate is
155.20 one-half the amount of the certificate application fee for any part of the first day, plus
155.21 one-half the certificate application fee for any part of any subsequent days up to 30 days.
155.22 This paragraph does not apply to applicants not qualifying for a certificate who hold
155.23 themselves out as hearing ~~instrument~~ aid dispensers.

155.24 (c) The penalty fee for practicing prescription hearing ~~instrument~~ aid dispensing and
155.25 failing to submit a continuing education report by the due date with the correct number or
155.26 type of hours in the correct time period is \$200 plus \$200 for each missing clock hour.
155.27 "Missing" means not obtained between the effective and expiration dates of the certificate,
155.28 the one-month period following the certificate expiration date, or the 30 days following
155.29 notice of a penalty fee for failing to report all continuing education hours. The certificate
155.30 holder must obtain the missing number of continuing education hours by the next reporting
155.31 due date.

156.1 (d) Civil penalties and discipline incurred by certificate holders prior to August 1, 2005,
 156.2 for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty
 156.3 fees. Payment of a penalty fee does not preclude any disciplinary action reasonably justified
 156.4 by the individual case.

156.5 Sec. 79. Minnesota Statutes 2022, section 153A.18, is amended to read:

156.6 **153A.18 CONSUMER INFORMATION CENTER.**

156.7 The commissioner shall establish a Consumer Information Center to assist actual and
 156.8 potential purchasers of prescription hearing aids by providing them with information
 156.9 regarding prescription hearing instrument aid sales. The Consumer Information Center shall
 156.10 disseminate information about consumers' legal rights related to prescription hearing
 156.11 instrument aid sales, provide information relating to complaints about dispensers of
 156.12 prescription hearing instruments aids, and provide information about outreach and advocacy
 156.13 services for consumers of prescription hearing instruments aids. In establishing the center
 156.14 and developing the information, the commissioner shall consult with representatives of
 156.15 prescription hearing instrument aid dispensers, audiologists, physicians, and consumers.

156.16 Sec. 80. Minnesota Statutes 2022, section 153A.20, is amended to read:

156.17 **153A.20 HEARING INSTRUMENT AID DISPENSER ADVISORY COUNCIL.**

156.18 Subdivision 1. **Membership.** (a) The commissioner shall appoint seven persons to a
 156.19 Hearing Instrument Aid Dispenser Advisory Council.

156.20 (b) The seven persons must include:

156.21 (1) three public members, as defined in section 214.02. At least one of the public members
 156.22 shall be a prescription hearing instrument aid user and one of the public members shall be
 156.23 either a prescription hearing instrument aid user or an advocate of one;

156.24 (2) three hearing instrument aid dispensers certified under sections 153A.14 to 153A.20,
 156.25 each of whom is currently, and has been for the five years immediately preceding their
 156.26 appointment, engaged in prescription hearing instrument aid dispensing in Minnesota and
 156.27 who represent the occupation of prescription hearing instrument aid dispensing and who
 156.28 are not audiologists; and

156.29 (3) one audiologist licensed as an audiologist under chapter 148 who dispenses
 156.30 prescription hearing instruments aids, recommended by a professional association
 156.31 representing audiologists and speech-language pathologists.

157.1 (c) The factors the commissioner may consider when appointing advisory council
157.2 members include, but are not limited to, professional affiliation, geographical location, and
157.3 type of practice.

157.4 (d) No two members of the advisory council shall be employees of, or have binding
157.5 contracts requiring sales exclusively for, the same prescription hearing instrument aid
157.6 manufacturer or the same employer.

157.7 Subd. 2. **Organization.** The advisory council shall be organized and administered
157.8 according to section 15.059. The council may form committees to carry out its duties.

157.9 Subd. 3. **Duties.** At the commissioner's request, the advisory council shall:

157.10 (1) advise the commissioner regarding hearing instrument aid dispenser certification
157.11 standards;

157.12 (2) provide for distribution of information regarding hearing instrument aid dispenser
157.13 certification standards;

157.14 (3) review investigation summaries of competency violations and make recommendations
157.15 to the commissioner as to whether the allegations of incompetency are substantiated; and

157.16 (4) perform other duties as directed by the commissioner.

157.17 Sec. 81. Minnesota Statutes 2022, section 256B.434, subdivision 4f, is amended to read:

157.18 Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a)
157.19 Effective October 1, 2006, facilities reimbursed under this section may receive a property
157.20 rate adjustment for construction projects exceeding the threshold in section 256B.431,
157.21 subdivision 16, and below the threshold in section 144A.071, subdivision 2, ~~clause (a)~~
157.22 paragraph (c), clause (1). For these projects, capital assets purchased shall be counted as
157.23 construction project costs for a rate adjustment request made by a facility if they are: (1)
157.24 purchased within 24 months of the completion of the construction project; (2) purchased
157.25 after the completion date of any prior construction project; and (3) are not purchased prior
157.26 to July 14, 2005. Except as otherwise provided in this subdivision, the definitions, rate
157.27 calculation methods, and principles in sections 144A.071 and 256B.431 and Minnesota
157.28 Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable
157.29 construction projects under this subdivision and section 144A.073. Facilities completing
157.30 construction projects between October 1, 2005, and October 1, 2006, are eligible to have a
157.31 property rate adjustment effective October 1, 2006. Facilities completing projects after
157.32 October 1, 2006, are eligible for a property rate adjustment effective on the first day of the
157.33 month following the completion date. Facilities completing projects after January 1, 2018,

158.1 are eligible for a property rate adjustment effective on the first day of the month of January
158.2 or July, whichever occurs immediately following the completion date.

158.3 (b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under
158.4 section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a
158.5 construction project on or after October 1, 2004, and do not have a contract under subdivision
158.6 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431,
158.7 subdivision 10, through September 30, 2006. If the request results in the commissioner
158.8 determining a rate adjustment is allowable, the rate adjustment is effective on the first of
158.9 the month following project completion. These facilities shall be allowed to accumulate
158.10 construction project costs for the period October 1, 2004, to September 30, 2006.

158.11 (c) Facilities shall be allowed construction project rate adjustments no sooner than 12
158.12 months after completing a previous construction project. Facilities must request the rate
158.13 adjustment according to section 256B.431, subdivision 10.

158.14 (d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060,
158.15 subpart 11. For rate calculations under this section, the number of licensed beds in the
158.16 nursing facility shall be the number existing after the construction project is completed and
158.17 the number of days in the nursing facility's reporting period shall be 365.

158.18 (e) The value of assets to be recognized for a total replacement project as defined in
158.19 section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value
158.20 of assets to be recognized for all other projects shall be computed as described in clause
158.21 (2).

158.22 (1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the
158.23 number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the
158.24 maximum amount of assets allowable in a facility's property rate calculation. If a facility's
158.25 current request for a rate adjustment results from the completion of a construction project
158.26 that was previously approved under section 144A.073, the assets to be used in the rate
158.27 calculation cannot exceed the lesser of the amount determined under sections 144A.071,
158.28 subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction
158.29 project. A current request that is not the result of a project under section 144A.073 cannot
158.30 exceed the limit under section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1).
158.31 Applicable credits must be deducted from the cost of the construction project.

158.32 (2)(i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the
158.33 number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be

159.1 used to compute the maximum amount of assets allowable in a facility's property rate
159.2 calculation.

159.3 (ii) The value of a facility's assets to be compared to the amount in item (i) begins with
159.4 the total appraised value from the last rate notice a facility received when its rates were set
159.5 under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value
159.6 shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each
159.7 rate year the facility received an inflation factor on its property-related rate when its rates
159.8 were set under this section. The value of assets listed as previous capital additions, capital
159.9 additions, and special projects on the facility's base year rate notice and the value of assets
159.10 related to a construction project for which the facility received a rate adjustment when its
159.11 rates were determined under this section shall be added to the indexed appraised value.

159.12 (iii) The maximum amount of assets to be recognized in computing a facility's rate
159.13 adjustment after a project is completed is the lesser of the aggregate replacement-cost-new
159.14 limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the
159.15 construction project.

159.16 (iv) If a facility's current request for a rate adjustment results from the completion of a
159.17 construction project that was previously approved under section 144A.073, the assets to be
159.18 added to the rate calculation cannot exceed the lesser of the amount determined under
159.19 sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable
159.20 costs of the construction project. A current request that is not the result of a project under
159.21 section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2,
159.22 paragraph ~~(a)~~ (c), clause (1). Assets disposed of as a result of a construction project and
159.23 applicable credits must be deducted from the cost of the construction project.

159.24 (f) For construction projects approved under section 144A.073, allowable debt may
159.25 never exceed the lesser of the cost of the assets purchased, the threshold limit in section
159.26 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital
159.27 debt.

159.28 (g) For construction projects that were not approved under section 144A.073, allowable
159.29 debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such
159.30 construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously
159.31 existing capital debt. Amounts of debt taken out that exceed the costs of a construction
159.32 project shall not be allowed regardless of the use of the funds.

159.33 For all construction projects being recognized, interest expense and average debt shall
159.34 be computed based on the first 12 months following project completion. "Previously existing

160.1 capital debt" means capital debt recognized on the last rate determined under section
160.2 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt
160.3 recognized for a construction project for which the facility received a rate adjustment when
160.4 its rates were determined under this section.

160.5 For a total replacement project as defined in section 256B.431, subdivision 17d, the
160.6 value of previously existing capital debt shall be zero.

160.7 (h) In addition to the interest expense allowed from the application of paragraph (f), the
160.8 amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and
160.9 (3), will be added to interest expense.

160.10 (i) The equity portion of the construction project shall be computed as the allowable
160.11 assets in paragraph (e), less the average debt in paragraph (f). The equity portion must be
160.12 multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added.
160.13 This sum must be divided by 95 percent of capacity days to compute the construction project
160.14 rate adjustment.

160.15 (j) For projects that are not a total replacement of a nursing facility, the amount in
160.16 paragraph (i) is adjusted for nonreimbursable areas and then added to the current property
160.17 payment rate of the facility.

160.18 (k) For projects that are a total replacement of a nursing facility, the amount in paragraph
160.19 (i) becomes the new property payment rate after being adjusted for nonreimbursable areas.
160.20 Any amounts existing in a facility's rate before the effective date of the construction project
160.21 for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements
160.22 under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431,
160.23 subdivision 19, shall be removed from the facility's rates.

160.24 (l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060,
160.25 subpart 10, as the result of construction projects under this section. Allowable equipment
160.26 shall be included in the construction project costs.

160.27 (m) Capital assets purchased after the completion date of a construction project shall be
160.28 counted as construction project costs for any future rate adjustment request made by a facility
160.29 under section 144A.071, subdivision 2, ~~clause (a)~~ paragraph (c), clause (1), if they are
160.30 purchased within 24 months of the completion of the future construction project.

160.31 (n) In subsequent rate years, the property payment rate for a facility that results from
160.32 the application of this subdivision shall be the amount inflated in subdivision 4.

161.1 (o) Construction projects are eligible for an equity incentive under section 256B.431,
 161.2 subdivision 16. When computing the equity incentive for a construction project under this
 161.3 subdivision, only the allowable costs and allowable debt related to the construction project
 161.4 shall be used. The equity incentive shall not be a part of the property payment rate and not
 161.5 inflated under subdivision 4. Effective October 1, 2006, all equity incentives for nursing
 161.6 facilities reimbursed under this section shall be allowed for a duration determined under
 161.7 section 256B.431, subdivision 16, paragraph (c).

161.8 Sec. 82. **EFFECTIVE DATE CHANGE.**

161.9 The effective date for 2023 H.F. 100, article 6, section 24, if enacted during the 2023
 161.10 regular legislative session, is July 1, 2023. This section prevails over any contrary effective
 161.11 date for H.F. 100, article 6, section 24, enacted during the 2023 regular legislative session,
 161.12 regardless of order of enactment.

161.13 Sec. 83. **REPEALER.**

161.14 (a) Minnesota Statutes 2022, section 144.9505, subdivision 3, is repealed.

161.15 (b) Minnesota Statutes 2022, section 153A.14, subdivision 5, is repealed.

161.16 (c) Minnesota Rules, parts 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900;
 161.17 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600;
 161.18 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300;
 161.19 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000;
 161.20 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400;
 161.21 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900;
 161.22 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600;
 161.23 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300;
 161.24 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000;
 161.25 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700;
 161.26 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300;
 161.27 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; and
 161.28 4645.5200, are repealed effective January 1, 2024.

162.1

ARTICLE 4

162.2

DEPARTMENT OF HEALTH

162.3 Section 1. Minnesota Statutes 2022, section 12A.08, subdivision 3, is amended to read:

162.4 Subd. 3. **Implementation.** To implement the requirements of this section, the
162.5 commissioner may cooperate with private health care providers and facilities, Tribal nations,
162.6 and community health boards as defined in section 145A.02; provide grants to assist
162.7 community health boards; and Tribal nations; use volunteer services of individuals qualified
162.8 to provide public health services; and enter into cooperative or mutual aid agreements to
162.9 provide public health services.

162.10 Sec. 2. Minnesota Statutes 2022, section 13.10, subdivision 5, is amended to read:

162.11 Subd. 5. **Adoption records.** Notwithstanding any provision of this or any other chapter,
162.12 adoption records shall be treated as provided in sections 259.53, 259.61, 259.79, and 259.83
162.13 to ~~259.89~~ 259.88.

162.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

162.15 Sec. 3. Minnesota Statutes 2022, section 13.465, subdivision 8, is amended to read:

162.16 Subd. 8. **Adoption records.** Various adoption records are classified under section 259.53,
162.17 subdivision 1. Access to the original birth record of a person who has been adopted is
162.18 governed by section ~~259.89~~ 144.2252.

162.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

162.20 Sec. 4. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

162.21 Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific
162.22 injured persons or entities, this section does not prohibit distribution of money to the specific
162.23 injured persons or entities on whose behalf the litigation or settlement efforts were initiated.
162.24 If money recovered on behalf of injured persons or entities cannot reasonably be distributed
162.25 to those persons or entities because they cannot readily be located or identified or because
162.26 the cost of distributing the money would outweigh the benefit to the persons or entities, the
162.27 money must be paid into the general fund.

162.28 (b) Money recovered on behalf of a fund in the state treasury other than the general fund
162.29 may be deposited in that fund.

163.1 (c) This section does not prohibit a state official from distributing money to a person or
163.2 entity other than the state in litigation or potential litigation in which the state is a defendant
163.3 or potential defendant.

163.4 (d) State agencies may accept funds as directed by a federal court for any restitution or
163.5 monetary penalty under United States Code, title 18, section 3663(a)(3), or United States
163.6 Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue
163.7 account and are appropriated to the commissioner of the agency for the purpose as directed
163.8 by the federal court.

163.9 (e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph
163.10 (t), may be deposited as provided in section 16A.98, subdivision 12.

163.11 (f) Any money received by the state resulting from a settlement agreement or an assurance
163.12 of discontinuance entered into by the attorney general of the state, or a court order in litigation
163.13 brought by the attorney general of the state, on behalf of the state or a state agency, related
163.14 to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids
163.15 in this state or other alleged illegal actions that contributed to the excessive use of opioids,
163.16 must be deposited in the settlement account established in the opiate epidemic response
163.17 fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees
163.18 and costs awarded to the state or the Attorney General's Office, to contract attorneys hired
163.19 by the state or Attorney General's Office, or to other state agency attorneys.

163.20 (g) Notwithstanding paragraph (f), if money is received from a settlement agreement or
163.21 an assurance of discontinuance entered into by the attorney general of the state or a court
163.22 order in litigation brought by the attorney general of the state on behalf of the state or a state
163.23 agency against a consulting firm working for an opioid manufacturer or opioid wholesale
163.24 drug distributor, the commissioner shall deposit any money received into the settlement
163.25 account established within the opiate epidemic response fund under section 256.042,
163.26 subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount
163.27 deposited into the settlement account in accordance with this paragraph shall be appropriated
163.28 to the commissioner of human services to award as grants as specified by the opiate epidemic
163.29 response advisory council in accordance with section 256.043, subdivision 3a, paragraph
163.30 (d).

163.31 (h) Any money received by the state resulting from a settlement agreement or an assurance
163.32 of discontinuance entered into by the attorney general of the state, or a court order in litigation
163.33 brought by the attorney general of the state on behalf of the state or a state agency related
163.34 to alleged violations of consumer fraud laws in the marketing, sale, or distribution of

164.1 electronic nicotine delivery systems in this state or other alleged illegal actions that
 164.2 contributed to the exacerbation of youth nicotine use, must be deposited in the tobacco use
 164.3 prevention account under section 144.398. This paragraph does not apply to: (1) attorney
 164.4 fees and costs awarded or paid to the state or the Attorney General's Office; (2) contract
 164.5 attorneys hired by the state or Attorney General's Office; or (3) other state agency attorneys.
 164.6 The commissioner of management and budget must transfer to the tobacco use prevention
 164.7 account, any money subject to this paragraph that is received by the state before the enactment
 164.8 of this paragraph.

164.9 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2023, and
 164.10 applies to settlement agreements or assurances of discontinuance entered into, or court
 164.11 orders issued, on or after that date.

164.12 Sec. 5. Minnesota Statutes 2022, section 103I.005, subdivision 17a, is amended to read:

164.13 Subd. 17a. ~~Temporary boring~~ Submerged closed loop heat exchanger. "Temporary
 164.14 ~~boring~~" "Submerged closed loop heat exchanger" means ~~an excavation that is 15 feet or~~
 164.15 ~~more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored,~~
 164.16 ~~washed, driven, dug, jetted, or otherwise constructed to~~ a heating and cooling device that:

164.17 (1) ~~conduct physical, chemical, or biological testing of groundwater, including~~
 164.18 ~~groundwater quality monitoring~~ is installed in a water supply well;

164.19 (2) ~~monitor or measure physical, chemical, radiological, or biological parameters of~~
 164.20 ~~earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or~~
 164.21 ~~resistance~~ utilizes the convective flow of groundwater as the primary medium of heat
 164.22 exchange;

164.23 (3) ~~measure groundwater levels, including use of a piezometer~~ contains water as the
 164.24 heat transfer fluid; and

164.25 (4) ~~determine groundwater flow direction or velocity~~ operates using a nonconsumptive
 164.26 recirculation.

164.27 A submerged closed loop heat exchanger includes other necessary appurtenances such as
 164.28 submersible pumps, a heat exchanger, and piping.

164.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

165.1 Sec. 6. Minnesota Statutes 2022, section 103I.005, is amended by adding a subdivision
165.2 to read:

165.3 Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15
165.4 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled,
165.5 cored, washed, driven, dug, jetted, or otherwise constructed to:

165.6 (1) conduct physical, chemical, or biological testing of groundwater, including
165.7 groundwater quality monitoring;

165.8 (2) monitor or measure physical, chemical, radiological, or biological parameters of
165.9 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or
165.10 resistance;

165.11 (3) measure groundwater levels, including use of a piezometer; and

165.12 (4) determine groundwater flow direction or velocity.

165.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

165.14 Sec. 7. Minnesota Statutes 2022, section 103I.005, subdivision 20a, is amended to read:

165.15 Subd. 20a. **Water supply well.** "Water supply well" means a well that is not a dewatering
165.16 well or environmental well and includes wells used:

165.17 (1) for potable water supply;

165.18 (2) for irrigation;

165.19 (3) for agricultural, commercial, or industrial water supply;

165.20 (4) for heating or cooling; ~~and~~

165.21 (5) for containing a submerged closed loop heat exchanger; and

165.22 (6) for testing water yield for irrigation, commercial or industrial uses, residential supply,
165.23 or public water supply.

165.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

165.25 Sec. 8. Minnesota Statutes 2022, section 103I.208, subdivision 2, is amended to read:

165.26 Subd. 2. **Permit fee.** The permit fee to be paid by a property owner is:

165.27 (1) for a water supply well that is not in use under a maintenance permit, \$175 annually;

165.28 (2) for an environmental well that is unsealed under a maintenance permit, \$175 annually

165.29 except no fee is required for an environmental well owned by a federal agency, state agency,

166.1 or local unit of government that is unsealed under a maintenance permit. "Local unit of
 166.2 government" means a statutory or home rule charter city, town, county, or soil and water
 166.3 conservation district, watershed district, an organization formed for the joint exercise of
 166.4 powers under section 471.59, a community health board, or other special purpose district
 166.5 or authority with local jurisdiction in water and related land resources management;

166.6 (3) for environmental wells that are unsealed under a maintenance permit, \$175 annually
 166.7 per site regardless of the number of environmental wells located on site;

166.8 (4) for a groundwater thermal exchange device, in addition to the notification fee for
 166.9 water supply wells, \$275, which includes the state core function fee;

166.10 (5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling
 166.11 capacity, \$275;

166.12 (6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity,
 166.13 \$515;

166.14 (7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling
 166.15 capacity, \$740;

166.16 (8) for a dewatering well that is unsealed under a maintenance permit, \$175 annually
 166.17 for each dewatering well, except a dewatering project comprising more than five dewatering
 166.18 wells shall be issued a single permit for \$875 annually for dewatering wells recorded on
 166.19 the permit; ~~and~~

166.20 (9) for an elevator boring, \$275 for each boring; and

166.21 (10) for a submerged closed loop heat exchanger system, in addition to the notification
 166.22 fee for water supply wells, \$3,250, which includes the state core function fee.

166.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

166.24 Sec. 9. Minnesota Statutes 2022, section 103I.208, is amended by adding a subdivision
 166.25 to read:

166.26 Subd. 3. **Rules.** The commissioner shall adopt rules to implement requirements for the
 166.27 permitting and installation of submerged closed loop heat exchangers according to chapter
 166.28 14. The commissioner may use the monitoring data required by section 107, to amend rules
 166.29 governing the installation of submerged closed loop heat exchanger systems. Rules for
 166.30 which notice is published in the State Register before December 31, 2025, may be adopted
 166.31 using the expedited rulemaking process in section 14.389, subdivision 5.

166.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

167.1 Sec. 10. **[103I.209] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM;**
167.2 **REQUIREMENTS.**

167.3 Subdivision 1. **Permit required.** After the effective date of this section, a person must
167.4 not install a submerged closed loop heat exchanger in a water supply well without a permit
167.5 granted by the commissioner. A submerged closed loop heat exchanger system approved
167.6 by a variance granted by the commissioner prior to the effective date of this section may
167.7 continue to operate without obtaining a permit under this section or section 103I.210.

167.8 Subd. 2. **Construction.** (a) A water supply well constructed to house a submerged closed
167.9 loop heat exchanger must be constructed by a licensed well contractor and the submerged
167.10 closed loop heat exchanger must be installed by a licensed well contractor.

167.11 (b) The commissioner may consider a variance under Minnesota Rules, part 4725.0410,
167.12 to the screen configuration requirements under Minnesota Rules, part 4725.2750, to allow
167.13 any combination of screen, casing, leader, riser, sump, or other piping so long as the screen
167.14 configuration does not interconnect aquifers or extend through a confining layer. The
167.15 commissioner must consider rules for these screen configurations during the expedited
167.16 rulemaking process authorized by section 103I.208, subdivision 3.

167.17 (c) A water supply well used for a submerged closed loop heat exchanger must comply
167.18 with the requirements of this chapter and Minnesota Rules, chapter 4725.

167.19 Subd. 3. **Heat transfer fluid.** Water used as heat transfer fluid must be sourced from a
167.20 potable supply. The heat transfer fluid may be amended with additives to inhibit corrosion
167.21 or microbial activity. Any additive used must be ANSI/NSF-60 certified.

167.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
167.23 expires on December 31 of the year that the permanent rules are adopted pursuant to section
167.24 103I.208, subdivision 3.

167.25 Sec. 11. **[103I.210] SUBMERGED CLOSED LOOP HEAT EXCHANGER SYSTEM;**
167.26 **TEMPORARY PERMITS.**

167.27 Subdivision 1. **Definition.** For purposes of this section, "permit holder" means persons
167.28 who receive a permit under this section and includes the property owner and licensed well
167.29 contractor.

167.30 Subd. 2. **Permit; limitations.** (a) The commissioner must issue a permit for the
167.31 installation of a submerged closed loop heat exchanger system as provided in this section.
167.32 The property owner or the property owner's agent must submit to the commissioner a permit

168.1 application on a form provided by the commissioner, or in a format approved by the
168.2 commissioner. The application must be legible and must contain:

168.3 (1) the name, license number, and signature of the well contractor installing the
168.4 submerged closed loop heat exchanger;

168.5 (2) the name, address, and signature of the owner of the submerged closed loop heat
168.6 exchanger system, and property owner, if different;

168.7 (3) the township number, range number, section, and one quartile, and the property street
168.8 address if assigned, of the proposed submerged closed loop heat exchanger system;

168.9 (4) a description of existing wells to be utilized or any wells proposed to be constructed
168.10 including the unique well numbers, locations, well depth, diameters of bore holes and casing,
168.11 depth of casing, grouting methods and materials, and dates of construction;

168.12 (5) the specifications for piping including the materials to be used for piping, the closed
168.13 loop water treatment protocol, and the provisions for pressure testing the system;

168.14 (6) a diagram of the proposed system; and

168.15 (7) any additional information the commissioner deems necessary to protect the public
168.16 health and safety of the groundwater.

168.17 (b) The fees collected under this subdivision must be deposited in the state government
168.18 special revenue fund.

168.19 (c) Permit holders must allow for the inspection of the submerged closed loop heat
168.20 exchanger system by the commissioner during working hours.

168.21 (d) The commissioner must not limit the number of permits available for submerged
168.22 closed loop heat exchanger systems or the size of systems. A system may consist of more
168.23 than one submerged closed loop heat exchanger. A variance is not required to install or
168.24 operate a submerged closed loop heat exchanger in the water supply well.

168.25 (e) Permit holders must comply with this section, this chapter, and Minnesota Rules,
168.26 chapter 4725.

168.27 (f) A permit holder must inform the Minnesota Duty Officer of the failure or leak of a
168.28 submerged closed loop heat exchanger.

168.29 (g) A water supply well containing a submerged closed loop heat exchanger must meet
168.30 the isolation distance requirements under Minnesota Rules, part 4725.4450. The
168.31 commissioner may consider a variance under Minnesota Rules, part 4725.0410, to the
168.32 isolation distance requirements under Minnesota Rules, part 4725.4450, for a water supply

169.1 well containing a submerged closed loop heat exchanger for the sole purpose of heating
169.2 and cooling if the property on which the water supply well will be located has limited space
169.3 and a water supply well cannot be constructed to meet isolation distance requirements. The
169.4 commissioner shall consider including isolation distance requirements during the expedited
169.5 rulemaking process authorized by section 103I.208, subdivision 3.

169.6 Subd. 3. **Permit conditions.** Permit holders must construct, install, operate, maintain,
169.7 and report on the submerged closed loop heat exchanger system to comply with permit
169.8 conditions identified by the commissioner, which must address:

169.9 (1) notification to the commissioner at intervals specified in the permit conditions;

169.10 (2) material and design specifications and standards;

169.11 (3) heat exchange fluid requirements;

169.12 (4) signage requirements;

169.13 (5) backflow prevention requirements;

169.14 (6) pressure tests of the system;

169.15 (7) documentation of the system construction;

169.16 (8) requirements for maintenance and repair of the system;

169.17 (9) removal of the system upon termination of use or failure;

169.18 (10) disclosure of the system at the time of property transfer;

169.19 (11) requirement to obtain approval from the commissioner prior to deviation of the
169.20 approved plans and conditions; and

169.21 (12) any additional information the commissioner deems necessary to protect public
169.22 health and safety of the groundwater.

169.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
169.24 expires on December 31 of the year that the permanent rules are adopted pursuant to section
169.25 103I.208, subdivision 3.

169.26 Sec. 12. **[115.7411] ADVISORY COUNCIL ON WATER SUPPLY SYSTEMS AND**
169.27 **WASTEWATER TREATMENT FACILITIES.**

169.28 Subdivision 1. **Purpose; membership.** The Advisory Council on Water Supply Systems
169.29 and Wastewater Treatment Facilities shall advise the commissioners of health and the
169.30 Pollution Control Agency regarding classification of water supply systems and wastewater

170.1 treatment facilities, qualifications and competency evaluation of water supply system
170.2 operators and wastewater treatment facility operators, and additional laws, rules, and
170.3 procedures that may be desirable for regulating the operation of water supply systems and
170.4 of wastewater treatment facilities. The advisory council is composed of 11 voting members,
170.5 of whom:

170.6 (1) one member must be from the Department of Health, Division of Environmental
170.7 Health, appointed by the commissioner of health;

170.8 (2) one member must be from the Pollution Control Agency appointed by the
170.9 commissioner of the Pollution Control Agency;

170.10 (3) three members must be certified water supply system operators, appointed by the
170.11 commissioner of health, one of whom must represent a nonmunicipal community or
170.12 nontransient noncommunity water supply system;

170.13 (4) three members must be certified wastewater treatment facility operators, appointed
170.14 by the commissioner of the Pollution Control Agency;

170.15 (5) one member must be a representative from an organization representing municipalities,
170.16 appointed by the commissioner of health with the concurrence of the commissioner of the
170.17 Pollution Control Agency; and

170.18 (6) two members must be members of the public who are not associated with water
170.19 supply systems or wastewater treatment facilities. One must be appointed by the
170.20 commissioner of health and the other by the commissioner of the Pollution Control Agency.
170.21 Consideration should be given to one of these members being a representative of academia
170.22 knowledgeable in water or wastewater matters.

170.23 Subd. 2. **Geographic representation.** At least one of the water supply system operators
170.24 and at least one of the wastewater treatment facility operators must be from outside the
170.25 seven-county metropolitan area and one wastewater treatment facility operator must be
170.26 from the Metropolitan Council.

170.27 Subd. 3. **Terms; compensation.** The terms of the appointed members and the
170.28 compensation and removal of all members are governed by section 15.059.

170.29 Subd. 4. **Officers.** When new members are appointed to the council, a chair must be
170.30 elected at the next council meeting. The Department of Health representative shall serve as
170.31 secretary of the council.

171.1 Sec. 13. Minnesota Statutes 2022, section 121A.335, is amended to read:

171.2 **121A.335 LEAD IN SCHOOL DRINKING WATER.**

171.3 Subdivision 1. **Model plan.** The commissioners of health and education shall jointly
171.4 develop a model plan to require school districts to accurately and efficiently test for the
171.5 presence of lead in water in public school buildings serving students in kindergarten through
171.6 grade 12. To the extent possible, the commissioners shall base the plan on the standards
171.7 established by the United States Environmental Protection Agency. The plan may be based
171.8 on the technical guidance in the Department of Health's document, "Reducing Lead in
171.9 Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities."
171.10 The plan must include recommendations for remediation efforts when testing reveals the
171.11 presence of lead at or above five parts per billion.

171.12 Subd. 2. **School plans.** (a) By July 1, 2018, the board of each school district or charter
171.13 school must adopt the commissioners' model plan or develop and adopt an alternative plan
171.14 to accurately and efficiently test for the presence of lead in water in school buildings serving
171.15 prekindergarten students and students in kindergarten through grade 12.

171.16 (b) By July 1, 2024, a school district or charter school must revise its plan to include its
171.17 policies and procedures for ensuring consistent water quality throughout the district's or
171.18 charter school's facilities. The plan must document the routine water management strategies
171.19 and procedures used in each building or facility to maintain water quality and reduce exposure
171.20 to lead. A district or charter school must base the plan on the United States Environmental
171.21 Protection Agency's "Ensuring Drinking Water Quality in Schools During and After Extended
171.22 Closures" fact sheet and the United States Environmental Protection Agency's "3Ts Toolkit
171.23 for Reducing Lead in Drinking Water in Schools and Child Care Facilities" manual. A
171.24 district or charter school's plan must be publicly available upon request.

171.25 Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing
171.26 schedule for every building serving prekindergarten through grade 12 students. The schedule
171.27 must require that each building be tested at least once every five years. A school district or
171.28 charter school must begin testing school buildings by July 1, 2018, and complete testing of
171.29 all buildings that serve students within five years.

171.30 (b) A school district or charter school that finds lead at a specific location providing
171.31 cooking or drinking water within a facility must formulate, make publicly available, and
171.32 implement a plan that is consistent with established guidelines and recommendations to
171.33 ensure that student exposure to lead is ~~minimized~~ reduced to below five parts per billion as
171.34 verified by a retest. This includes, when a school district or charter school finds the presence

172.1 ~~of lead at a level where action should be taken as set by the guidance~~ at or above five parts
172.2 per billion in any water ~~source~~ fixture that can provide cooking or drinking water,
172.3 immediately shutting off the water ~~source~~ fixture or making it unavailable until the hazard
172.4 has been ~~minimized~~ remediated as verified by a retest.

172.5 (c) A school district or charter school must test for the presence of lead after completing
172.6 remediation activities required under this section to confirm that the water contains lead at
172.7 a level below five parts per billion.

172.8 Subd. 4. **Ten-year facilities plan.** A school district may include lead testing and
172.9 remediation as a part of its ten-year facilities plan under section 123B.595.

172.10 Subd. 5. **Reporting.** (a) A school district or charter school that has tested its buildings
172.11 for the presence of lead shall make the results of the testing available to the public for review
172.12 and must notify parents of the availability of the information. School districts and charter
172.13 schools must follow the actions outlined in guidance from the commissioners of health and
172.14 education. must send parents an annual notice that includes the district's or charter school's
172.15 annual testing and remediation plan, information about how to find test results, and a
172.16 description of remediation efforts on the district website. The district or charter school must
172.17 update the lead testing and remediation information on its website at least annually. In
172.18 addition to the annual notice, the district or charter school must include in an official school
172.19 handbook or official school policy guide information on how parents may find the test
172.20 results and a description of remediation efforts on the district or charter school website and
172.21 how often this information is updated.

172.22 (b) If a test conducted under subdivision 3, paragraph (a), reveals the presence of lead
172.23 at or above a level where action should be taken as set by the guidance five parts per billion,
172.24 the school district or charter school must, within 30 days of receiving the test result, either
172.25 remediate the presence of lead to below ~~the level set in guidance~~ five parts per billion,
172.26 verified by retest, or directly notify parents of the test result. ~~The school district or charter~~
172.27 ~~school must make the water source unavailable until the hazard has been minimized.~~

172.28 (c) Starting July 1, 2024, school districts and charter schools must report their test results
172.29 and remediation activities to the commissioner of health in the form and manner determined
172.30 by the commissioner in consultation with school districts and charter schools, by July 1 of
172.31 each year. The commissioner of health must post and annually update the test results and
172.32 remediation efforts on the department website by school site.

172.33 (d) A district or charter school must maintain a record of lead testing results and
172.34 remediation activities for at least 15 years.

173.1 Subd. 6. **Public water systems.** (a) A district or charter school is not financially
 173.2 responsible for remediation of documented elevated lead levels in drinking water caused
 173.3 by the presence of lead infrastructure owned by a public water supply utility providing water
 173.4 to the school facility, such as lead service lines, meters, galvanized service lines downstream
 173.5 of lead, or lead connectors. The district or charter school must communicate with the public
 173.6 water system regarding its documented significant contribution to lead contamination in
 173.7 school drinking water and request from the public water system a plan for reducing the lead
 173.8 contamination.

173.9 (b) If the infrastructure is jointly owned by a district or charter school and a public water
 173.10 supply utility, the district or charter school must attempt to coordinate any needed
 173.11 replacements of lead service lines with the public water supply utility.

173.12 (c) A district or charter school may defer its remediation activities under this section
 173.13 until after the elevated lead level in the public water system's infrastructure is remediated
 173.14 and postremediation testing does not detect an elevated lead level in the drinking water that
 173.15 passes through that infrastructure. A district or charter school may also defer its remediation
 173.16 activities if the public water supply exceeds the federal Safe Drinking Water Act lead action
 173.17 level or is in violation of the Safe Drinking Water Act Lead and Copper Rule.

173.18 Subd. 7. **Commissioner recommendations.** By January 1, 2026, and every five years
 173.19 thereafter, the commissioner of health must report to the legislative committees having
 173.20 jurisdiction over health and kindergarten through grade 12 education any recommended
 173.21 changes to this section. The recommendations must be based on currently available scientific
 173.22 evidence regarding the effects of lead in drinking water.

173.23 Sec. 14. **[144.0526] MINNESOTA ONE HEALTH ANTIMICROBIAL**
 173.24 **STEWARDSHIP COLLABORATIVE.**

173.25 Subdivision 1. **Establishment.** The commissioner of health shall establish the Minnesota
 173.26 One Health Antimicrobial Stewardship Collaborative. The commissioner shall appoint a
 173.27 director to execute operations, conduct health education, and provide technical assistance.

173.28 Subd. 2. **Commissioner's duties.** The commissioner of health shall oversee a program
 173.29 to:

173.30 (1) maintain the position of director of One Health Antimicrobial Stewardship to lead
 173.31 state antimicrobial stewardship initiatives across human, animal, and environmental health;

174.1 (2) communicate to professionals and the public the interconnectedness of human, animal,
174.2 and environmental health, especially related to preserving the efficacy of antibiotic
174.3 medications, which are a shared resource;

174.4 (3) leverage new and existing partnerships. The commissioner of health shall consult
174.5 and collaborate with academic institutions, industry and community organizations, and
174.6 organizations and agencies in fields including but not limited to health care, veterinary
174.7 medicine, and animal agriculture to inform strategies for education, practice improvement,
174.8 and research in all settings where antimicrobial products are used;

174.9 (4) ensure that veterinary settings have education and strategies needed to practice
174.10 appropriate antibiotic prescribing, implement clinical antimicrobial stewardship programs,
174.11 and prevent transmission of antimicrobial-resistant microbes; and

174.12 (5) support collaborative research and programmatic initiatives to improve the
174.13 understanding of the impact of antimicrobial use and resistance in the natural environment.

174.14 Subd. 3. **Biennial report.** By January 15, 2025, and every two years thereafter, the
174.15 commissioner of health shall report to the chairs and ranking minority members of the
174.16 legislative committees with primary jurisdiction over health policy and finance on the work
174.17 accomplished by the commissioner under this section and the collaborative research
174.18 conducted in the previous two years and on program goals for the upcoming two years.

174.19 Sec. 15. **[144.0528] COMPREHENSIVE DRUG OVERDOSE AND MORBIDITY**
174.20 **PREVENTION ACT.**

174.21 Subdivision 1. **Definition.** For the purpose of this section, "drug overdose and morbidity"
174.22 means health problems that people experience after inhaling, ingesting, or injecting medicines
174.23 in quantities that exceed prescription status; medicines taken that are prescribed to a different
174.24 person; medicines that have been adulterated or adjusted by contaminants intentionally or
174.25 unintentionally; or nonprescription drugs in amounts that result in morbidity or mortality.

174.26 Subd. 2. **Establishment.** The commissioner of health shall establish a comprehensive
174.27 drug overdose and morbidity program to conduct comprehensive drug overdose and morbidity
174.28 prevention activities, epidemiologic investigations and surveillance, and evaluation to
174.29 monitor, address, and prevent drug overdoses statewide through integrated strategies that
174.30 include the following:

174.31 (1) advance access to evidence-based nonnarcotic pain management services;

174.32 (2) implement culturally specific interventions and prevention programs with population
174.33 and community groups in greatest need, including those who are pregnant and their infants;

175.1 (3) enhance overdose prevention and supportive services for people experiencing
175.2 homelessness. This strategy includes funding for emergency and short-term housing subsidies
175.3 through the homeless overdose prevention hub and expanding support for syringe services
175.4 programs serving people experiencing homelessness statewide;

175.5 (4) equip employers to promote health and well-being of employees by addressing
175.6 substance misuse and drug overdose;

175.7 (5) improve outbreak detection and identification of substances involved in overdoses
175.8 through the expansion of the Minnesota Drug Overdose and Substance Use Surveillance
175.9 Activity (MNDOSA);

175.10 (6) implement Tackling Overdose With Networks (TOWN) community prevention
175.11 programs;

175.12 (7) identify, address, and respond to drug overdose and morbidity in those who are
175.13 pregnant or have just given birth through multitiered approaches that may:

175.14 (i) promote medication-assisted treatment options;

175.15 (ii) support programs that provide services in accord with evidence-based care models
175.16 for mental health and substance abuse disorder;

175.17 (iii) collaborate with interdisciplinary and professional organizations that focus on quality
175.18 improvement initiatives related to substance use disorder; and

175.19 (iv) implement substance use disorder-related recommendations from the maternal
175.20 mortality review committee, as appropriate; and

175.21 (8) design a system to assess, address, and prevent the impacts of drug overdose and
175.22 morbidity on those who are pregnant, their infants, and children. Specifically, the
175.23 commissioner of health may:

175.24 (i) inform health care providers and the public of the prevalence, risks, conditions, and
175.25 treatments associated with substance use disorders involving or affecting pregnancies,
175.26 infants, and children; and

175.27 (ii) identify communities, families, infants, and children affected by substance use
175.28 disorder in order to recommend focused interventions, prevention, and services.

175.29 Subd. 3. **Partnerships.** The commissioner of health may consult with sovereign Tribal
175.30 nations, the Minnesota Departments of Human Services, Corrections, Public Safety, and
175.31 Education, local public health agencies, care providers and insurers, community organizations
175.32 that focus on substance abuse risks and recovery, individuals affected by substance use

176.1 disorders, and any other individuals, entities, and organizations as necessary to carry out
176.2 the goals of this section.

176.3 Subd. 4. Grants authorized. (a) The commissioner of health may award grants, as
176.4 funding allows, to entities and organizations focused on addressing and preventing the
176.5 negative impacts of drug overdose and morbidity. Examples of activities the commissioner
176.6 may consider for these grant awards include:

176.7 (1) developing, implementing, or promoting drug overdose and morbidity prevention
176.8 programs and activities;

176.9 (2) community outreach and other efforts addressing the root causes of drug overdose
176.10 and morbidity;

176.11 (3) identifying risk and protective factors relating to drug overdose and morbidity that
176.12 contribute to identification, development, or improvement of prevention strategies and
176.13 community outreach;

176.14 (4) developing or providing trauma-informed drug overdose and morbidity prevention
176.15 and services;

176.16 (5) developing or providing culturally and linguistically appropriate drug overdose and
176.17 morbidity prevention and services, and programs that target and serve historically underserved
176.18 communities;

176.19 (6) working collaboratively with educational institutions, including school districts, to
176.20 implement drug overdose and morbidity prevention strategies for students, teachers, and
176.21 administrators;

176.22 (7) working collaboratively with sovereign Tribal nations, care providers, nonprofit
176.23 organizations, for-profit organizations, government entities, community-based organizations,
176.24 and other entities to implement substance misuse and drug overdose prevention strategies
176.25 within their communities; and

176.26 (8) creating or implementing quality improvement initiatives to improve drug overdose
176.27 and morbidity treatment and outcomes.

176.28 (b) Any organization or government entity receiving grant money under this section
176.29 must collect and make available to the commissioner of health aggregate data related to the
176.30 activity funded by the program under this section. The commissioner of health shall use the
176.31 information and data from the program evaluation to inform the administration of existing
176.32 Department of Health programming and the development of Department of Health policies,
176.33 programs, and procedures.

177.1 Subd. 5. **Promotion; administration.** In fiscal years 2026 and beyond, the commissioner
177.2 may spend up to 25 percent of the total funding appropriated for the comprehensive drug
177.3 overdose and morbidity program in each fiscal year to promote, administer, support, and
177.4 evaluate the programs authorized under this section and to provide technical assistance to
177.5 program grantees.

177.6 Subd. 6. **External contributions.** The commissioner may accept contributions from
177.7 governmental and nongovernmental sources and may apply for grants to supplement state
177.8 appropriations for the programs authorized under this section. Contributions and grants
177.9 received from the sources identified in this subdivision to advance the purpose of this section
177.10 are appropriated to the commissioner for the comprehensive drug overdose and morbidity
177.11 program.

177.12 Subd. 7. **Program evaluation.** Beginning February 28, 2024, the commissioner of health
177.13 shall report every even-numbered year to the legislative committees with jurisdiction over
177.14 health detailing the expenditures of funds authorized under this section. The commissioner
177.15 shall use the data to evaluate the effectiveness of the program. The commissioner must
177.16 include in the report:

177.17 (1) the number of organizations receiving grant money under this section;

177.18 (2) the number of individuals served by the grant programs;

177.19 (3) a description and analysis of the practices implemented by program grantees; and

177.20 (4) best practices recommendations to prevent drug overdose and morbidity, including
177.21 culturally relevant best practices and recommendations focused on historically underserved
177.22 communities.

177.23 Subd. 8. **Measurement.** Notwithstanding any law to the contrary, the commissioner of
177.24 health shall assess and evaluate grants and contracts awarded using available data sources,
177.25 including but not limited to the Minnesota All Payer Claims Database (MN APCD), the
177.26 Minnesota Behavioral Risk Factor Surveillance System (BRFSS), the Minnesota Student
177.27 Survey, vital records, hospitalization data, syndromic surveillance, and the Minnesota
177.28 Electronic Health Record Consortium.

177.29 Sec. 16. **[144.0752] CULTURAL COMMUNICATIONS.**

177.30 Subdivision 1. **Establishment.** The commissioner of health shall establish:

177.31 (1) a cultural communications program that advances culturally and linguistically
177.32 appropriate communication services for communities most impacted by health disparities

178.1 that include limited English proficient (LEP) populations, refugees, immigrant communities,
178.2 American Indians, populations of color, LGBTQ+ populations, persons who are deaf,
178.3 deafblind, or hard of hearing and who use American Sign Language, and people living with
178.4 disabilities; and

178.5 (2) a position that works with department and division leadership to ensure that the
178.6 department follows the National Standards for Culturally and Linguistically Appropriate
178.7 Services (CLAS) Standards.

178.8 Subd. 2. **Commissioner's duties.** The commissioner of health shall oversee a program
178.9 to:

178.10 (1) align the department services, policies, procedures, and governance with the National
178.11 CLAS Standards, establish culturally and linguistically appropriate goals, policies, and
178.12 management accountability, and apply them throughout the organization's planning and
178.13 operations;

178.14 (2) ensure the department services respond to the cultural and linguistic diversity of
178.15 Minnesotans and that the department partners with the community to design, implement,
178.16 and evaluate policies, practices, and services that are aligned with the national cultural and
178.17 linguistic appropriateness standard; and

178.18 (3) ensure the department leadership, workforce, and partners embed culturally and
178.19 linguistically appropriate policies and practices into leadership and public health program
178.20 planning, intervention, evaluation, and dissemination.

178.21 Subd. 3. **Eligible contractors.** The commissioner may enter into contracts to implement
178.22 this section. Organizations eligible to receive contract funding under this section include:

178.23 (1) master contractors that are selected through the state to provide language and
178.24 communication services; and

178.25 (2) organizations that are able to provide services for languages that master contractors
178.26 are unable to cover.

178.27 Sec. 17. **[144.0754] OFFICE OF AFRICAN AMERICAN HEALTH; DUTIES.**

178.28 (a) The commissioner shall establish the Office of African American Health to address
178.29 the unique public health needs of African American Minnesotans. The office must work to
178.30 develop solutions and systems to address identified health disparities of African American
178.31 Minnesotans arising from a context of cumulative and historical discrimination and
178.32 disadvantages in multiple systems, including but not limited to housing, education,

179.1 employment, gun violence, incarceration, environmental factors, and health care
 179.2 discrimination. The office shall:

179.3 (1) convene the African American Health State Advisory Council under section 144.0755
 179.4 to advise the commissioner on issues and to develop specific, targeted policy solutions to
 179.5 improve the health of African American Minnesotans, with a focus on United States born
 179.6 African Americans;

179.7 (2) based upon input from and collaboration with the African American Health State
 179.8 Advisory Council, health indicators, and identified disparities, conduct analysis and develop
 179.9 policy and program recommendations and solutions targeted at improving African American
 179.10 health outcomes;

179.11 (3) coordinate and conduct community engagement across multiple systems, sectors,
 179.12 and communities to address racial disparities in labor force participation, educational
 179.13 achievement, and involvement with the criminal justice system that impact African American
 179.14 health and well-being;

179.15 (4) conduct data analysis and research to support policy goals and solutions;

179.16 (5) award and administer African American health special emphasis grants to health and
 179.17 community-based organizations to plan and develop programs targeted at improving African
 179.18 American health outcomes, based upon needs identified by the council, health indicators,
 179.19 and identified disparities and addressing historical trauma and systems of United States
 179.20 born African American Minnesotans; and

179.21 (6) develop and administer Department of Health immersion experiences for students
 179.22 in secondary education and community colleges to improve diversity of the public health
 179.23 workforce and introduce career pathways that contribute to reducing health disparities.

179.24 (b) By January 15, 2025, and every two years thereafter, the commissioner of health
 179.25 shall report to the chairs and ranking minority members of the legislative committees with
 179.26 primary jurisdiction over health policy and finance on the work accomplished by the Office
 179.27 of African American Health during the previous two years and on goals of the office for
 179.28 the upcoming two years.

179.29 **Sec. 18. [144.0755] AFRICAN AMERICAN HEALTH STATE ADVISORY**
 179.30 **COUNCIL.**

179.31 Subdivision 1. **Establishment; members.** (a) The commissioner of health shall establish
 179.32 and administer the African American Health State Advisory Council. The African American

180.1 Health State Advisory Council shall include no fewer than 12 or more than 20 members
180.2 from any of the following groups:

180.3 (1) representatives of community-based organizations serving or advocating for African
180.4 American citizens;

180.5 (2) at-large community leaders or elders, as nominated by other council members;

180.6 (3) African American individuals who provide and receive health care services;

180.7 (4) African American secondary or college students;

180.8 (5) health or human service professionals serving African American communities or
180.9 clients;

180.10 (6) representatives with research or academic expertise in racial equity; and

180.11 (7) other members that the commissioner deems appropriate to facilitate the goals and
180.12 duties of the council.

180.13 (b) The commissioner shall make recommendations for council membership and, after
180.14 considering recommendations from the council, shall appoint a chair or chairs of the council.

180.15 Council members shall be appointed by the governor.

180.16 Subd. 2. **Terms.** A term shall be for two years and appointees may be reappointed to
180.17 serve two additional terms. The commissioner shall recommend appointments to replace
180.18 members vacating their positions in a timely manner, no more than three months after the
180.19 council reviews panel recommendations.

180.20 Subd. 3. **Duties of commissioner.** The commissioner or commissioner's designee shall:

180.21 (1) maintain and actively engage with the council established in this section;

180.22 (2) based on recommendations of the council, review identified department or other
180.23 related policies or practices that maintain health inequities and disparities that particularly
180.24 affect African Americans in Minnesota;

180.25 (3) in partnership with the council, recommend or implement action plans and resources
180.26 necessary to address identified disparities and advance African American health equity;

180.27 (4) support interagency collaboration to advance African American health equity; and

180.28 (5) support member participation in the council, including participation in educational
180.29 and community engagement events across Minnesota that specifically address African
180.30 American health equity.

180.31 Subd. 4. **Duties of council.** The council shall:

181.1 (1) identify health disparities found in African American communities and contributing
 181.2 factors;

181.3 (2) recommend to the commissioner for review any statutes, rules, or administrative
 181.4 policies or practices that would address African American health disparities;

181.5 (3) recommend policies and strategies to the commissioner of health to address disparities
 181.6 specifically affecting African American health;

181.7 (4) form work groups of council members who are persons who provide and receive
 181.8 services and representatives of advocacy groups;

181.9 (5) provide the work groups with clear guidelines, standardized parameters, and tasks
 181.10 for the work groups to accomplish; and

181.11 (6) annually submit to the commissioner a report that summarizes the activities of the
 181.12 council, identifies disparities specially affecting the health of African American Minnesotans,
 181.13 and makes recommendations to address identified disparities.

181.14 Subd. 5. **Duties of council members.** The members of the council shall:

181.15 (1) attend scheduled meetings with no more than three absences per year, participate in
 181.16 scheduled meetings, and prepare for meetings by reviewing meeting notes;

181.17 (2) maintain open communication channels with respective constituencies;

181.18 (3) identify and communicate issues and risks that may impact the timely completion
 181.19 of tasks;

181.20 (4) participate in any activities the council or commissioner deems appropriate and
 181.21 necessary to facilitate the goals and duties of the council; and

181.22 (5) participate in work groups to carry out council duties.

181.23 Subd. 6. **Staffing; office space; equipment.** The commissioner shall provide the advisory
 181.24 council with staff support, office space, and access to office equipment and services.

181.25 Subd. 7. **Reimbursement.** Compensation and reimbursement for travel and expenses
 181.26 incurred for council activities are governed by section 15.059, subdivision 3.

181.27 Sec. 19. **[144.0756] AFRICAN AMERICAN HEALTH SPECIAL EMPHASIS GRANT**
 181.28 **PROGRAM.**

181.29 Subdivision 1. **Establishment.** The commissioner of health shall establish the African
 181.30 American health special emphasis grant program administered by the Office of African
 181.31 American Health. The purposes of the program are to:

182.1 (1) identify disparities impacting African American health arising from cumulative and
182.2 historical discrimination and disadvantages in multiple systems, including but not limited
182.3 to housing, education, employment, gun violence, incarceration, environmental factors, and
182.4 health care discrimination; and

182.5 (2) develop community-based solutions that incorporate a multisector approach to
182.6 addressing identified disparities impacting African American health.

182.7 **Subd. 2. Requests for proposals; accountability; data collection.** As directed by the
182.8 commissioner of health, the Office of African American Health shall:

182.9 (1) develop a request for proposals for an African American health special emphasis
182.10 grant program in consultation with community stakeholders;

182.11 (2) provide outreach, technical assistance, and program development guidance to potential
182.12 qualifying organizations or entities;

182.13 (3) review responses to requests for proposals in consultation with community
182.14 stakeholders and award grants under this section;

182.15 (4) establish a transparent and objective accountability process in consultation with
182.16 community stakeholders, focused on outcomes that grantees agree to achieve;

182.17 (5) provide grantees with access to summary and other public data to assist grantees in
182.18 establishing and implementing effective community-led solutions; and

182.19 (6) collect and maintain data on outcomes reported by grantees.

182.20 **Subd. 3. Eligible grantees.** Organizations eligible to receive grant funding under this
182.21 section include nonprofit organizations or entities that work with African American
182.22 communities or are focused on addressing disparities impacting the health of African
182.23 American communities.

182.24 **Subd. 4. Strategic consideration and priority of proposals; grant awards.** In
182.25 developing the requests for proposals and awarding the grants, the commissioner and the
182.26 Office of African American Health shall consider building upon the existing capacity of
182.27 communities and on developing capacity where it is lacking. Proposals shall focus on
182.28 addressing health equity issues specific to United States-born African American communities;
182.29 addressing the health impact of historical trauma; reducing health disparities experienced
182.30 by United States-born African American communities; and incorporating a multisector
182.31 approach to addressing identified disparities.

183.1 Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on
183.2 the forms and according to timelines established by the commissioner.

183.3 Sec. 20. **[144.0757] OFFICE OF AMERICAN INDIAN HEALTH.**

183.4 Subdivision 1. **Duties.** The Office of American Indian Health is established to address
183.5 unique public health needs of American Indian Tribal communities in Minnesota. The office
183.6 shall:

183.7 (1) coordinate with Minnesota's Tribal Nations and urban American Indian
183.8 community-based organizations to identify underlying causes of health disparities, address
183.9 unique health needs of Minnesota's Tribal communities, and develop public health approaches
183.10 to achieve health equity;

183.11 (2) strengthen capacity of American Indian and community-based organizations and
183.12 Tribal Nations to address identified health disparities and needs;

183.13 (3) administer state and federal grant funding opportunities targeted to improve the
183.14 health of American Indians;

183.15 (4) provide overall leadership for targeted development of holistic health and wellness
183.16 strategies to improve health and to support Tribal and urban American Indian public health
183.17 leadership and self-sufficiency;

183.18 (5) provide technical assistance to Tribal and American Indian urban community leaders
183.19 to develop culturally appropriate activities to address public health emergencies;

183.20 (6) develop and administer the department immersion experiences for American Indian
183.21 students in secondary education and community colleges to improve diversity of the public
183.22 health workforce and introduce career pathways that contribute to reducing health disparities;
183.23 and

183.24 (7) identify and promote workforce development strategies for Department of Health
183.25 staff to work with the American Indian population and Tribal Nations more effectively in
183.26 Minnesota.

183.27 Subd. 2. **Grants and contracts.** To carry out these duties, the office may contract with
183.28 or provide grants to qualifying entities.

183.29 Subd. 3. **Reporting.** By January 15, 2025, and every two years thereafter, the
183.30 commissioner of health shall report to the chairs and ranking minority members of the
183.31 legislative committees with primary jurisdiction over health policy and finance on the work

184.1 accomplished by the Office of American Indian Health during the previous two years and
184.2 on goals of the office for the upcoming two years.

184.3 Sec. 21. **[144.0758] AMERICAN INDIAN HEALTH SPECIAL EMPHASIS GRANTS.**

184.4 Subdivision 1. **Establishment.** The commissioner of health shall establish the American
184.5 Indian health special emphasis grant program. The purposes of the program are to:

184.6 (1) plan and develop programs targeted to address continuing and persistent health
184.7 disparities of Minnesota's American Indian population and improve American Indian health
184.8 outcomes based upon needs identified by health indicators and identified disparities;

184.9 (2) identify disparities in American Indian health arising from cumulative and historical
184.10 discrimination; and

184.11 (3) plan and develop community-based solutions with a multisector approach to
184.12 addressing identified disparities in American Indian health.

184.13 Subd. 2. **Commissioner's duties.** The commissioner of health shall:

184.14 (1) develop a request for proposals for an American Indian health special emphasis grant
184.15 program in consultation with Minnesota's Tribal Nations and urban American Indian
184.16 community-based organizations based upon needs identified by the community, health
184.17 indicators, and identified disparities;

184.18 (2) provide outreach, technical assistance, and program development guidance to potential
184.19 qualifying organizations or entities;

184.20 (3) review responses to requests for proposals in consultation with community
184.21 stakeholders and award grants under this section;

184.22 (4) establish a transparent and objective accountability process in consultation with
184.23 community stakeholders focused on outcomes that grantees agree to achieve;

184.24 (5) provide grantees with access to data to assist grantees in establishing and
184.25 implementing effective community-led solutions; and

184.26 (6) collect and maintain data on outcomes reported by grantees.

184.27 Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this
184.28 section are Minnesota's Tribal Nations and urban American Indian community-based
184.29 organizations.

184.30 Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In
184.31 developing the proposals and awarding the grants, the commissioner shall consider building

185.1 upon the existing capacity of Minnesota's Tribal Nations and urban American Indian
 185.2 community-based organizations and on developing capacity where it is lacking. Proposals
 185.3 may focus on addressing health equity issues specific to Tribal and urban American Indian
 185.4 communities; addressing the health impact of historical trauma; reducing health disparities
 185.5 experienced by American Indian communities; and incorporating a multisector approach
 185.6 to addressing identified disparities.

185.7 Subd. 5. Report. Grantees must report grant program outcomes to the commissioner on
 185.8 the forms and according to the timelines established by the commissioner.

185.9 Sec. 22. [144.0759] PUBLIC HEALTH AMERICORPS.

185.10 The commissioner may award a grant to a statewide, nonprofit organization to support
 185.11 Public Health AmeriCorps members. The organization awarded the grant shall provide the
 185.12 commissioner with any information needed by the commissioner to evaluate the program
 185.13 in the form and according to timelines specified by the commissioner.

185.14 Sec. 23. Minnesota Statutes 2022, section 144.122, is amended to read:

185.15 **144.122 LICENSE, PERMIT, AND SURVEY FEES.**

185.16 (a) The state commissioner of health, by rule, may prescribe procedures and fees for
 185.17 filing with the commissioner as prescribed by statute and for the issuance of original and
 185.18 renewal permits, licenses, registrations, and certifications issued under authority of the
 185.19 commissioner. The expiration dates of the various licenses, permits, registrations, and
 185.20 certifications as prescribed by the rules shall be plainly marked thereon. Fees may include
 185.21 application and examination fees and a penalty fee for renewal applications submitted after
 185.22 the expiration date of the previously issued permit, license, registration, and certification.
 185.23 The commissioner may also prescribe, by rule, reduced fees for permits, licenses,
 185.24 registrations, and certifications when the application therefor is submitted during the last
 185.25 three months of the permit, license, registration, or certification period. Fees proposed to
 185.26 be prescribed in the rules shall be first approved by the Department of Management and
 185.27 Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be
 185.28 in an amount so that the total fees collected by the commissioner will, where practical,
 185.29 approximate the cost to the commissioner in administering the program. All fees collected
 185.30 shall be deposited in the state treasury and credited to the state government special revenue
 185.31 fund unless otherwise specifically appropriated by law for specific purposes.

185.32 (b) The commissioner may charge a fee for voluntary certification of medical laboratories
 185.33 and environmental laboratories, and for environmental and medical laboratory services

186.1 provided by the department, without complying with paragraph (a) or chapter 14. Fees
 186.2 charged for environment and medical laboratory services provided by the department must
 186.3 be approximately equal to the costs of providing the services.

186.4 (c) The commissioner may develop a schedule of fees for diagnostic evaluations
 186.5 conducted at clinics held by the services for children with disabilities program. All receipts
 186.6 generated by the program are annually appropriated to the commissioner for use in the
 186.7 maternal and child health program.

186.8 (d) The commissioner shall set license fees for hospitals and nursing homes that are not
 186.9 boarding care homes at the following levels:

186.10	Joint Commission on Accreditation of	\$7,655 plus \$16 per bed
186.11	Healthcare Organizations (JCAHO) and	
186.12	American Osteopathic Association (AOA)	
186.13	hospitals	
186.14	Non-JCAHO and non-AOA hospitals	\$5,280 plus \$250 per bed
186.15	Nursing home	\$183 plus \$91 per bed until June 30, 2018.
186.16		\$183 plus \$100 per bed between July 1, 2018,
186.17		and June 30, 2020. \$183 plus \$105 per bed
186.18		beginning July 1, 2020.

186.19 The commissioner shall set license fees for outpatient surgical centers, boarding care
 186.20 homes, supervised living facilities, assisted living facilities, and assisted living facilities
 186.21 with dementia care at the following levels:

186.22	Outpatient surgical centers	\$3,712
186.23	Boarding care homes	\$183 plus \$91 per bed
186.24	Supervised living facilities	\$183 plus \$91 per bed.
186.25	Assisted living facilities with dementia care	\$3,000 plus \$100 per resident.
186.26	Assisted living facilities	\$2,000 plus \$75 per resident.

186.27 Fees collected under this paragraph are nonrefundable. The fees are nonrefundable even if
 186.28 received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017,
 186.29 or later.

186.30 (e) Unless prohibited by federal law, the commissioner of health shall charge applicants
 186.31 the following fees to cover the cost of any initial certification surveys required to determine
 186.32 a provider's eligibility to participate in the Medicare or Medicaid program:

186.33	Prospective payment surveys for hospitals	\$	900
186.34	Swing bed surveys for nursing homes	\$	1,200
186.35	Psychiatric hospitals	\$	1,400
186.36	Rural health facilities	\$	1,100

187.1	Portable x-ray providers	\$	500
187.2	Home health agencies	\$	1,800
187.3	Outpatient therapy agencies	\$	800
187.4	End stage renal dialysis providers	\$	2,100
187.5	Independent therapists	\$	800
187.6	Comprehensive rehabilitation outpatient facilities	\$	1,200
187.7	Hospice providers	\$	1,700
187.8	Ambulatory surgical providers	\$	1,800
187.9	Hospitals	\$	4,200

187.10 Other provider categories or additional
 187.11 resurveys required to complete initial
 187.12 certification

Actual surveyor costs: average
 surveyor cost x number of hours for
 the survey process.

187.13 These fees shall be submitted at the time of the application for federal certification and
 187.14 shall not be refunded. All fees collected after the date that the imposition of fees is not
 187.15 prohibited by federal law shall be deposited in the state treasury and credited to the state
 187.16 government special revenue fund.

187.17 (f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed
 187.18 on assisted living facilities and assisted living facilities with dementia care under paragraph
 187.19 (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

187.20 (1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up
 187.21 to ten percent lower than the applicable fee in paragraph (d) if residents who receive home
 187.22 and community-based waiver services under chapter 256S and section 256B.49 comprise
 187.23 more than 50 percent of the facility's capacity in the calendar year prior to the year in which
 187.24 the renewal application is submitted; and

187.25 (2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up
 187.26 to ten percent higher than the applicable fee in paragraph (d) if residents who receive home
 187.27 and community-based waiver services under chapter 256S and section 256B.49 comprise
 187.28 less than 50 percent of the facility's capacity during the calendar year prior to the year in
 187.29 which the renewal application is submitted.

187.30 The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this
 187.31 paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a
 187.32 method for determining capacity thresholds in this paragraph in consultation with the
 187.33 commissioner of human services and must coordinate the administration of this paragraph
 187.34 with the commissioner of human services for purposes of verification.

188.1 (g) The commissioner shall charge hospitals an annual licensing base fee of \$1,826 per
 188.2 hospital, plus an additional \$23 per licensed bed or bassinet fee. Revenue shall be deposited
 188.3 to the state government special revenue fund and credited toward trauma hospital designations
 188.4 under sections 144.605 and 144.6071.

188.5 Sec. 24. **[144.1462] COMMUNITY HEALTH WORKERS; GRANTS AUTHORIZED.**

188.6 Subdivision 1. **Establishment.** The commissioner of health shall support collaboration
 188.7 and coordination between state and community partners to develop, refine, and expand the
 188.8 community health workers profession in Minnesota; equip community health workers to
 188.9 address health needs; and to improve health outcomes. This work must address the social
 188.10 conditions that impact community health and well-being in public safety, social services,
 188.11 youth and family services, schools, and neighborhood associations.

188.12 Subd. 2. **Grants and contracts authorized; eligibility.** The commissioner of health
 188.13 shall award grants or enter into contracts to expand and strengthen the community health
 188.14 worker workforce across Minnesota. The grant recipients or contractor shall include at least
 188.15 one not-for-profit community organization serving, convening, and supporting community
 188.16 health workers statewide.

188.17 Subd. 3. **Evaluation.** The commissioner of health shall design, conduct, and evaluate
 188.18 the community health worker initiative using measures such as workforce capacity,
 188.19 employment opportunity, reach of services, and return on investment, as well as descriptive
 188.20 measures of the existing community health worker models as they compare with the national
 188.21 community health workers' landscape. These initial measures point to longer-term change
 188.22 in social determinants of health and rates of death and injury by suicide, overdose, firearms,
 188.23 alcohol, and chronic disease.

188.24 Subd. 4. **Report.** Grant recipients and contractors must report program outcomes to the
 188.25 department annually and by the guidelines established by the commissioner.

188.26 Sec. 25. Minnesota Statutes 2022, section 144.1505, is amended to read:

188.27 **144.1505 HEALTH PROFESSIONALS CLINICAL TRAINING EXPANSION**
 188.28 **AND RURAL AND UNDERSERVED CLINICAL ROTATIONS GRANT PROGRAM**
 188.29 **PROGRAMS.**

188.30 Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

188.31 (1) "eligible advanced practice registered nurse program" means a program that is located
 188.32 in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level

189.1 advanced practice registered nurse program by the Commission on Collegiate Nursing
 189.2 Education or by the Accreditation Commission for Education in Nursing, or is a candidate
 189.3 for accreditation;

189.4 (2) "eligible dental therapy program" means a dental therapy education program or
 189.5 advanced dental therapy education program that is located in Minnesota and is either:

189.6 (i) approved by the Board of Dentistry; or

189.7 (ii) currently accredited by the Commission on Dental Accreditation;

189.8 (3) "eligible mental health professional program" means a program that is located in
 189.9 Minnesota and is listed as a mental health professional program by the appropriate accrediting
 189.10 body for clinical social work, psychology, marriage and family therapy, or licensed
 189.11 professional clinical counseling, or is a candidate for accreditation;

189.12 (4) "eligible pharmacy program" means a program that is located in Minnesota and is
 189.13 currently accredited as a doctor of pharmacy program by the Accreditation Council on
 189.14 Pharmacy Education;

189.15 (5) "eligible physician assistant program" means a program that is located in Minnesota
 189.16 and is currently accredited as a physician assistant program by the Accreditation Review
 189.17 Commission on Education for the Physician Assistant, or is a candidate for accreditation;

189.18 (6) "mental health professional" means an individual providing clinical services in the
 189.19 treatment of mental illness who meets one of the qualifications under section 245.462,
 189.20 subdivision 18; ~~and~~

189.21 (7) "eligible physician training program" means a physician residency training program
 189.22 located in Minnesota and that is currently accredited by the accrediting body or has presented
 189.23 a credible plan as a candidate for accreditation;

189.24 (8) "eligible dental program" means a dental education program or a dental residency
 189.25 training program located in Minnesota and that is currently accredited by the accrediting
 189.26 body or has presented a credible plan as a candidate for accreditation; and

189.27 ~~(7)~~ (9) "project" means a project to establish or expand clinical training for physician
 189.28 assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced
 189.29 dental therapists, or mental health professionals in Minnesota.

189.30 Subd. 2. **Program Programs.** (a) For advanced practice provider clinical training
 189.31 expansion grants, the commissioner of health shall award health professional training site
 189.32 grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental

190.1 therapy, and mental health professional programs to plan and implement expanded clinical
 190.2 training. A planning grant shall not exceed \$75,000, and a training grant shall not exceed
 190.3 \$150,000 for the first year, \$100,000 for the second year, and \$50,000 for the third year per
 190.4 program.

190.5 (b) For health professional rural and underserved clinical rotations grants, the
 190.6 commissioner of health shall award health professional training site grants to eligible
 190.7 physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry,
 190.8 dental therapy, and mental health professional programs to augment existing clinical training
 190.9 programs to add rural and underserved rotations or clinical training experiences, such as
 190.10 credential or certificate rural tracks or other specialized training. For physician and dentist
 190.11 training, the expanded training must include rotations in primary care settings such as
 190.12 community clinics, hospitals, health maintenance organizations, or practices in rural
 190.13 communities.

190.14 ~~(b)~~ (c) Funds may be used for:

190.15 (1) establishing or expanding rotations and clinical training ~~for physician assistants,~~
 190.16 ~~advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists,~~
 190.17 ~~and mental health professionals in Minnesota;~~

190.18 (2) recruitment, training, and retention of students and faculty;

190.19 (3) connecting students with appropriate clinical training sites, internships, practicums,
 190.20 or externship activities;

190.21 (4) travel and lodging for students;

190.22 (5) faculty, student, and preceptor salaries, incentives, or other financial support;

190.23 (6) development and implementation of cultural competency training;

190.24 (7) evaluations;

190.25 (8) training site improvements, fees, equipment, and supplies required to establish,
 190.26 maintain, or expand a ~~physician assistant, advanced practice registered nurse, pharmacy,~~
 190.27 ~~dental therapy, or mental health professional~~ training program; and

190.28 (9) supporting clinical education in which trainees are part of a primary care team model.

190.29 Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse,
 190.30 pharmacy, dental therapy, dental, physician, and mental health professional programs seeking
 190.31 a grant shall apply to the commissioner. Applications must include a description of the
 190.32 number of additional students who will be trained using grant funds; attestation that funding

191.1 will be used to support an increase in the number of clinical training slots; a description of
 191.2 the problem that the proposed project will address; a description of the project, including
 191.3 all costs associated with the project, sources of funds for the project, detailed uses of all
 191.4 funds for the project, and the results expected; and a plan to maintain or operate any
 191.5 component included in the project after the grant period. The applicant must describe
 191.6 achievable objectives, a timetable, and roles and capabilities of responsible individuals in
 191.7 the organization. Applicants applying under subdivision 2, paragraph (b), must include
 191.8 information about length of training and training site settings, geographic location of rural
 191.9 sites, and rural populations expected to be served.

191.10 **Subd. 4. Consideration of applications.** The commissioner shall review each application
 191.11 to determine whether or not the application is complete and whether the program and the
 191.12 project are eligible for a grant. In evaluating applications, the commissioner shall score each
 191.13 application based on factors including, but not limited to, the applicant's clarity and
 191.14 thoroughness in describing the project and the problems to be addressed, the extent to which
 191.15 the applicant has demonstrated that the applicant has made adequate provisions to ensure
 191.16 proper and efficient operation of the training program once the grant project is completed,
 191.17 the extent to which the proposed project is consistent with the goal of increasing access to
 191.18 primary care and mental health services for rural and underserved urban communities, the
 191.19 extent to which the proposed project incorporates team-based primary care, and project
 191.20 costs and use of funds.

191.21 **Subd. 5. Program oversight.** The commissioner shall determine the amount of a grant
 191.22 to be given to an eligible program based on the relative score of each eligible program's
 191.23 application, including rural locations as applicable under subdivision 2, paragraph (b), other
 191.24 relevant factors discussed during the review, and the funds available to the commissioner.
 191.25 Appropriations made to the program do not cancel and are available until expended. During
 191.26 the grant period, the commissioner may require and collect from programs receiving grants
 191.27 any information necessary to evaluate the program.

191.28 **Sec. 26. [144.1507] PRIMARY CARE RESIDENCY TRAINING GRANT**
 191.29 **PROGRAM.**

191.30 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
 191.31 the meanings given.

191.32 (b) "Eligible program" means a program that meets the following criteria:

191.33 (1) is located in Minnesota;

192.1 (2) trains medical residents in the specialties of family medicine, general internal
192.2 medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency
192.3 training programs or in community-based ambulatory care centers that primarily serve the
192.4 underserved; and

192.5 (3) is accredited by the Accreditation Council for Graduate Medical Education or presents
192.6 a credible plan to obtain accreditation.

192.7 (c) "Rural residency training program" means a residency program that provides an
192.8 initial year of training in an accredited residency program in Minnesota. The subsequent
192.9 years of the residency program are based in rural communities, utilizing local clinics and
192.10 community hospitals, with specialty rotations in nearby regional medical centers.

192.11 (d) "Community-based ambulatory care centers" means federally qualified health centers,
192.12 community mental health centers, rural health clinics, health centers operated by the Indian
192.13 Health Service, an Indian Tribe or Tribal organization, or an urban American Indian
192.14 organization or an entity receiving funds under Title X of the Public Health Service Act.

192.15 (e) "Eligible project" means a project to establish and maintain a rural residency training
192.16 program.

192.17 **Subd. 2. Rural residency training program.** (a) The commissioner of health shall
192.18 award rural residency training program grants to eligible programs to plan, implement, and
192.19 sustain rural residency training programs. A rural residency training program grant shall
192.20 not exceed \$250,000 per year for up to three years for planning and development, and
192.21 \$225,000 per resident per year for each year thereafter to sustain the program.

192.22 (b) Funds may be spent to cover the costs of:

192.23 (1) planning related to establishing accredited rural residency training programs;

192.24 (2) obtaining accreditation by the Accreditation Council for Graduate Medical Education
192.25 or another national body that accredits rural residency training programs;

192.26 (3) establishing new rural residency training programs;

192.27 (4) recruitment, training, and retention of new residents and faculty related to the new
192.28 rural residency training program;

192.29 (5) travel and lodging for new residents;

192.30 (6) faculty, new resident, and preceptor salaries related to new rural residency training
192.31 programs;

193.1 (7) training site improvements, fees, equipment, and supplies required for new rural
193.2 residency training programs; and

193.3 (8) supporting clinical education in which trainees are part of a primary care team model.

193.4 **Subd. 3. Applications for rural residency training program grants.** Eligible programs
193.5 seeking a grant shall apply to the commissioner. Applications must include the number of
193.6 new primary care rural residency training program slots planned, under development or
193.7 under contract; a description of the training program, including location of the established
193.8 residency program and rural training sites; a description of the project, including all costs
193.9 associated with the project; all sources of funds for the project; detailed uses of all funds
193.10 for the project; the results expected; proof of eligibility for federal graduate medical education
193.11 funding, if applicable; and a plan to seek the funding. The applicant must describe achievable
193.12 objectives, a timetable, and the roles and capabilities of responsible individuals in the
193.13 organization.

193.14 **Subd. 4. Consideration of grant applications.** The commissioner shall review each
193.15 application to determine if the residency program application is complete, if the proposed
193.16 rural residency program and residency slots are eligible for a grant, and if the program is
193.17 eligible for federal graduate medical education funding, and when the funding is available.
193.18 If eligible programs are not eligible for federal graduate medical education funding, the
193.19 commissioner may award continuation funding to the eligible program beyond the initial
193.20 grant period. The commissioner shall award grants to support training programs in family
193.21 medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general
193.22 surgery, and other primary care focus areas.

193.23 **Subd. 5. Program oversight.** During the grant period, the commissioner may require
193.24 and collect from grantees any information necessary to evaluate the program. Notwithstanding
193.25 section 16A.28, subdivision 6, encumbrances for grants under this section issued by June
193.26 30 of each year may be certified for a period of up to five years beyond the year in which
193.27 the funds were originally appropriated.

193.28 **Sec. 27. [144.1508] CLINICAL HEALTH CARE TRAINING.**

193.29 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
193.30 the meanings given.

193.31 (b) "Accredited clinical training" means the clinical training provided by a medical
193.32 education program that is accredited through an organization recognized by the Department
193.33 of Education, the Centers for Medicare and Medicaid Services, or another national body

194.1 that reviews the accrediting organizations for multiple disciplines and whose standards for
194.2 recognizing accrediting organizations are reviewed and approved by the commissioner of
194.3 health.

194.4 (c) "Clinical medical education program" means the accredited clinical training of
194.5 physicians, medical students, residents, doctors of pharmacy practitioners, doctors of
194.6 chiropractic, dentists, advanced practice nurses, clinical nurse specialists, certified registered
194.7 nurse anesthetists, nurse practitioners, certified nurse midwives, physician assistants, dental
194.8 therapists and advanced dental therapists, psychologists, clinical social workers, community
194.9 paramedics, community health workers, and other medical professions as determined by
194.10 the commissioner.

194.11 (d) "Commissioner" means the commissioner of health.

194.12 (e) "Eligible entity" means an organization that is located in Minnesota, provides a
194.13 clinical medical education experience, and hosts students, residents, or other trainee types
194.14 as determined by the commissioner, and is from an accredited Minnesota teaching program
194.15 and institution.

194.16 (f) "Eligible trainee FTEs" means the number of trainees, as measured by full-time
194.17 equivalent counts, that are training in Minnesota at an entity with either currently active
194.18 medical assistance enrollment status and a National Provider Identification (NPI) number
194.19 or documentation that they provide sliding fee services. Training may occur in an inpatient
194.20 or ambulatory patient care setting or alternative setting as determined by the commissioner.
194.21 Training that occurs in nursing facility settings is not eligible for funding under this section.

194.22 (g) "Teaching institution" means a hospital, medical center, clinic, or other organization
194.23 that conducts a clinical medical education program in Minnesota that is accountable to the
194.24 accrediting body.

194.25 (h) "Trainee" means a student, resident, fellow, or other postgraduate involved in a
194.26 clinical medical education program from an accredited Minnesota teaching program and
194.27 institution.

194.28 Subd. 2. **Application process.** (a) An eligible entity hosting clinical trainees from a
194.29 clinical medical education program and teaching institution is eligible for funds under
194.30 subdivision 3, if the entity:

194.31 (1) is funded in part by sliding fee scale services or enrolled in the Minnesota health
194.32 care program;

195.1 (2) faces increased financial pressure as a result of competition with nonteaching patient
195.2 care entities; and

195.3 (3) emphasizes primary care or specialties that are in undersupply in rural or underserved
195.4 areas of Minnesota.

195.5 (b) An entity hosting a clinical medical education program for advanced practice nursing
195.6 is eligible for funds under subdivision 3, if the program meets the eligibility requirements
195.7 in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota
195.8 Academic Health Center, the Mayo Foundation, or an institution that is part of the Minnesota
195.9 State Colleges and Universities system or members of the Minnesota Private College Council.

195.10 (c) An application must be submitted to the commissioner by an eligible entity through
195.11 the teaching institution and contain the following information:

195.12 (1) the official name and address and the site addresses of the clinical medical education
195.13 programs where eligible trainees are hosted;

195.14 (2) the name, title, and business address of those persons responsible for administering
195.15 the funds;

195.16 (3) for each applicant, the type and specialty orientation of trainees in the program; the
195.17 name, entity address, medical assistance provider number, and national provider identification
195.18 number of each training site used in the program, as appropriate; the federal tax identification
195.19 number of each training site, where available; the total number of eligible trainee FTEs at
195.20 each site; and

195.21 (4) other supporting information the commissioner deems necessary.

195.22 (d) An applicant that does not provide information requested by the commissioner shall
195.23 not be eligible for funds for the current funding cycle.

195.24 Subd. 3. **Distribution of funds.** (a) The commissioner may distribute funds for clinical
195.25 training in areas of Minnesota and for the professions listed in subdivision 1, paragraph (c),
195.26 determined by the commissioner as a high need area and profession shortage area. The
195.27 commissioner shall annually distribute medical education funds to qualifying applicants
195.28 under this section based on the costs to train, service level needs, and profession or training
195.29 site shortages. Use of funds is limited to related clinical training costs for eligible programs.

195.30 (b) To ensure the quality of clinical training, eligible entities must demonstrate that they
195.31 hold contracts in good standing with eligible educational institutions that specify the terms,
195.32 expectations, and outcomes of the clinical training conducted at sites. Funds shall be
195.33 distributed in an administrative process determined by the commissioner to be efficient.

196.1 Subd. 4. **Report.** (a) Teaching institutions receiving funds under this section must sign
196.2 and submit a medical education grant verification report (GVR) to verify funding was
196.3 distributed as specified in the GVR. If the teaching institution fails to submit the GVR by
196.4 the stated deadline, the teaching institution is required to return the full amount of funds
196.5 received to the commissioner within 30 days of receiving notice from the commissioner.
196.6 The commissioner shall distribute returned funds to the appropriate training sites in
196.7 accordance with the commissioner's approval letter.

196.8 (b) Teaching institutions receiving funds under this section must provide any other
196.9 information the commissioner deems appropriate to evaluate the effectiveness of the use of
196.10 funds for medical education.

196.11 Sec. 28. Minnesota Statutes 2022, section 144.218, subdivision 1, is amended to read:

196.12 Subdivision 1. **Adoption.** Upon receipt of a certified copy of an order, decree, or
196.13 certificate of adoption, the state registrar shall register a replacement vital record in the new
196.14 name of the adopted person. The original record of birth is ~~confidential~~ private data pursuant
196.15 to section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order
196.16 or section 144.2252. The information contained on the original birth record, except for the
196.17 registration number, shall be provided on request to a parent who is named on the original
196.18 birth record. Upon the receipt of a certified copy of a court order of annulment of adoption
196.19 the state registrar shall restore the original vital record to its original place in the file.

196.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

196.21 Sec. 29. Minnesota Statutes 2022, section 144.218, subdivision 2, is amended to read:

196.22 Subd. 2. **Adoption of foreign persons.** In proceedings for the adoption of a person who
196.23 was born in a foreign country, the court, upon evidence presented by the commissioner of
196.24 human services from information secured at the port of entry or upon evidence from other
196.25 reliable sources, may make findings of fact as to the date and place of birth and parentage.
196.26 Upon receipt of certified copies of the court findings and the order or decree of adoption,
196.27 a certificate of adoption, or a certified copy of a decree issued under section 259.60, the
196.28 state registrar shall register a birth record in the new name of the adopted person. The
196.29 certified copies of the court findings and the order or decree of adoption, certificate of
196.30 adoption, or decree issued under section 259.60 are ~~confidential~~ private data, pursuant to
196.31 section 13.02, subdivision ~~3~~ 12, and shall not be disclosed except pursuant to court order
196.32 or section 144.2252. The birth record shall state the place of birth as specifically as possible
196.33 and that the vital record is not evidence of United States citizenship.

197.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

197.2 Sec. 30. Minnesota Statutes 2022, section 144.222, subdivision 1, is amended to read:

197.3 Subdivision 1. **Fetal death report required.** A fetal death report must be filed within
197.4 five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed,
197.5 except for abortions defined under section ~~145.4241~~ 145.411, subdivision 5. A fetal death
197.6 report must be prepared in a format prescribed by the state registrar and filed in accordance
197.7 with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

197.8 (1) a person in charge of an institution or that person's authorized designee if a fetus is
197.9 delivered in the institution or en route to the institution;

197.10 (2) a physician, certified nurse midwife, or other licensed medical personnel in attendance
197.11 at or immediately after the delivery if a fetus is delivered outside an institution; or

197.12 (3) a parent or other person in charge of the disposition of the remains if a fetal death
197.13 occurred without medical attendance at or immediately after the delivery.

197.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

197.15 Sec. 31. Minnesota Statutes 2022, section 144.225, subdivision 2, is amended to read:

197.16 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data
197.17 pertaining to the birth of a child to a woman who was not married to the child's father when
197.18 the child was conceived nor when the child was born, including the original record of birth
197.19 and the certified vital record, are confidential data. At the time of the birth of a child to a
197.20 woman who was not married to the child's father when the child was conceived nor when
197.21 the child was born, the mother may designate demographic data pertaining to the birth as
197.22 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

197.23 (1) to a parent or guardian of the child;

197.24 (2) to the child when the child is 16 years of age or older, except as provided in clause
197.25 (3);

197.26 (3) to the child if the child is a homeless youth;

197.27 (4) under paragraph (b), (e), or (f); or

197.28 (5) pursuant to a court order. For purposes of this section, a subpoena does not constitute
197.29 a court order.

198.1 (b) ~~Unless the child is adopted,~~ Data pertaining to the birth of a child that are not
 198.2 accessible to the public become public data if 100 years have elapsed since the birth of the
 198.3 child who is the subject of the data, or as provided under section 13.10, whichever occurs
 198.4 first.

198.5 (c) If a child is adopted, data pertaining to the child's birth are governed by the provisions
 198.6 relating to adoption and birth records, including sections 13.10, subdivision 5; 144.218,
 198.7 subdivision 1; and 144.2252; ~~and 259.89.~~

198.8 (d) The name and address of a mother under paragraph (a) and the child's date of birth
 198.9 may be disclosed to the county social services, Tribal health department, or public health
 198.10 member of a family services collaborative for purposes of providing services under section
 198.11 124D.23.

198.12 (e) The commissioner of human services shall have access to birth records for:

198.13 (1) the purposes of administering medical assistance and the MinnesotaCare program;

198.14 (2) child support enforcement purposes; and

198.15 (3) other public health purposes as determined by the commissioner of health.

198.16 (f) Tribal child support programs shall have access to birth records for child support
 198.17 enforcement purposes.

198.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

198.19 Sec. 32. Minnesota Statutes 2022, section 144.2252, is amended to read:

198.20 **144.2252 ACCESS TO ORIGINAL BIRTH RECORD AFTER ADOPTION.**

198.21 Subdivision 1. Definitions. (a) ~~Whenever an adopted person requests the state registrar~~
 198.22 ~~to disclose the information on the adopted person's original birth record, the state registrar~~
 198.23 ~~shall act according to section 259.89.~~ For purposes of this section, the following terms have
 198.24 the meanings given.

198.25 (b) "Person related to the adopted person" means:

198.26 (1) the spouse, child, or grandchild of an adopted person, if the spouse, child, or
 198.27 grandchild is at least 18 years of age; or

198.28 (2) the legal representative of an adopted person.

198.29 The definition under this paragraph only applies when the adopted person is deceased.

199.1 (c) "Original birth record" means a copy of the original birth record for a person who is
199.2 born in Minnesota and whose original birth record was sealed and replaced by a replacement
199.3 birth record after the state registrar received a certified copy of an order, decree, or certificate
199.4 of adoption.

199.5 Subd. 2. Release of original birth record. (a) The state registrar must provide to an
199.6 adopted person who is 18 years of age or older or a person related to the adopted person a
199.7 copy of the adopted person's original birth record and any evidence of the adoption previously
199.8 filed with the state registrar. To receive a copy of an original birth record under this
199.9 subdivision, the adopted person or person related to the adopted person must make the
199.10 request to the state registrar in writing. The copy of the original birth record must clearly
199.11 indicate that it may not be used for identification purposes. All procedures, fees, and waiting
199.12 periods applicable to a nonadopted person's request for a copy of a birth record apply in the
199.13 same manner as requests made under this section.

199.14 (b) If a contact preference form is attached to the original birth record as authorized
199.15 under section 144.2253, the state registrar must provide a copy of the contact preference
199.16 form along with the copy of the adopted person's original birth record.

199.17 ~~(b)~~ (c) The state registrar shall provide a transcript of an adopted person's original birth
199.18 record to an authorized representative of a federally recognized American Indian Tribe for
199.19 the sole purpose of determining the adopted person's eligibility for enrollment or membership.
199.20 Information contained in the birth record may not be used to provide the adopted person
199.21 information about the person's birth parents, except as provided in this section or section
199.22 259.83.

199.23 (d) For a replacement birth record issued under section 144.218, the adopted person or
199.24 a person related to the adopted person may obtain from the state registrar copies of the order
199.25 or decree of adoption, certificate of adoption, or decree issued under section 259.60, as filed
199.26 with the state registrar.

199.27 Subd. 3. Adult adoptions. Notwithstanding section 144.218, a person adopted as an
199.28 adult may access the person's birth records that existed before the person's adult adoption.
199.29 Access to the existing birth records shall be the same access that was permitted prior to the
199.30 adult adoption.

199.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

200.1 **Sec. 33. [144.2253] BIRTH PARENT CONTACT PREFERENCE FORM.**

200.2 (a) The commissioner must make available to the public a contact preference form as
200.3 described in paragraph (b).

200.4 (b) The contact preference form must provide the following information to be completed
200.5 at the option of a birth parent:

200.6 (1) "I would like to be contacted."

200.7 (2) "I would prefer to be contacted only through an intermediary."

200.8 (3) "I prefer not to be contacted at this time. If I decide later that I would like to be
200.9 contacted, I will submit an updated contact preference form to the Minnesota Department
200.10 of Health."

200.11 (c) A contact preference form must include space where the birth parent may include
200.12 information that the birth parent feels is important for the adopted person to know.

200.13 (d) If a birth parent of an adopted person submits a completed contact preference form
200.14 to the commissioner, the commissioner must:

200.15 (1) match the contact preference form to the adopted person's original birth record; and

200.16 (2) attach the contact preference form to the original birth record as required under
200.17 section 144.2252.

200.18 (e) A contact preference form submitted to the commissioner under this section is private
200.19 data on an individual as defined in section 13.02, subdivision 12, except that the contact
200.20 preference form may be released as provided under section 144.2252, subdivision 2.

200.21 **EFFECTIVE DATE.** This section is effective August 1, 2023.

200.22 **Sec. 34. [144.2254] PREVIOUSLY FILED CONSENTS TO DISCLOSURE AND**
200.23 **AFFIDAVITS OF NONDISCLOSURE.**

200.24 (a) The commissioner must inform a person applying for an original birth record under
200.25 section 144.2252 of the existence of an unrevoked consent to disclosure or an affidavit of
200.26 nondisclosure on file with the department, including the name of the birth parent who filed
200.27 the consent or affidavit. If a birth parent authorized the release of the birth parent's address
200.28 on an unrevoked consent to disclosure, the commissioner shall provide the address to the
200.29 person who requests the original birth record.

200.30 (b) A birth parent's consent to disclosure or affidavit of nondisclosure filed with the
200.31 commissioner of health expires and has no force or effect beginning on June 30, 2024.

201.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

201.2 Sec. 35. Minnesota Statutes 2022, section 144.226, subdivision 3, is amended to read:

201.3 Subd. 3. **Birth record surcharge.** (a) In addition to any fee prescribed under subdivision
201.4 1, there shall be a nonrefundable surcharge of \$3 for each certified birth or stillbirth record
201.5 and for a certification that the vital record cannot be found. The state registrar or local
201.6 issuance office shall forward this amount to the commissioner of management and budget
201.7 each month following the collection of the surcharge for deposit into the account for the
201.8 children's trust fund for the prevention of child abuse established under section 256E.22.
201.9 This surcharge shall not be charged under those circumstances in which no fee for a certified
201.10 birth or stillbirth record is permitted under subdivision 1, paragraph (b). Upon certification
201.11 by the commissioner of management and budget that the assets in that fund exceed
201.12 \$20,000,000, this surcharge shall be discontinued.

201.13 (b) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable
201.14 surcharge of \$10 for each certified birth record. The state registrar or local issuance office
201.15 shall forward this amount to the commissioner of management and budget each month
201.16 following the collection of the surcharge for deposit in the general fund.

201.17 Sec. 36. Minnesota Statutes 2022, section 144.226, subdivision 4, is amended to read:

201.18 Subd. 4. **Vital records surcharge.** In addition to any fee prescribed under subdivision
201.19 1, there is a nonrefundable surcharge of \$4 for each certified and noncertified birth, stillbirth,
201.20 or death record, and for a certification that the record cannot be found. The local issuance
201.21 office or state registrar shall forward this amount to the commissioner of management and
201.22 budget each month following the collection of the surcharge to be deposited into the state
201.23 government special revenue fund.

201.24 Sec. 37. **[144.3431] NONRESIDENTIAL MENTAL HEALTH SERVICES.**

201.25 (a) A minor who is age 16 or older may give effective consent for nonresidential mental
201.26 health services, and the consent of no other person is required. For purposes of this section,
201.27 "nonresidential mental health services" means outpatient services as defined in section
201.28 245.4871, subdivision 29, provided to a minor who is not residing in a hospital, inpatient
201.29 unit, or licensed residential treatment facility or program.

201.30 (b) This section does not preclude a minor from providing effective consent for mental
201.31 health or other health services according to the authority in section 144.344 or other
201.32 applicable law.

202.1 Sec. 38. **[144.3885] LABOR TRAFFICKING SERVICES GRANT PROGRAM.**

202.2 Subdivision 1. **Establishment.** The commissioner of health must establish a labor
 202.3 trafficking services grant program to provide comprehensive, trauma-informed, and culturally
 202.4 specific services for victims of labor trafficking or labor exploitation.

202.5 Subd. 2. **Eligibility; application.** To be eligible for a grant under this section, applicants
 202.6 must be a nonprofit organization or a nongovernmental organization serving victims of
 202.7 labor trafficking or labor exploitation; a local public health department; a social service
 202.8 agency; a Tribal government; a local unit of government; a school or school district; a health
 202.9 care organization; or another interested agency demonstrating experience or expertise in
 202.10 working with victims of labor trafficking exploitation. An entity seeking a grant under this
 202.11 section must apply to the commissioner at a time and in a manner specified by the
 202.12 commissioner. The commissioner must review each application to determine if the application
 202.13 is complete, the entity is eligible for a grant, and the proposed project is an allowable use
 202.14 of grant funds. The commissioner must determine the grant amount awarded to applicants
 202.15 that the commissioner determines will receive a grant.

202.16 Subd. 3. **Reporting.** (a) The grantee must submit a report to the commissioner in a
 202.17 manner and on a timeline specified by the commissioner on how the grant funds were spent
 202.18 and how many individuals were served.

202.19 (b) By January 15 of each year, the commissioner must submit a report to the chairs and
 202.20 ranking minority members of the legislative committees with jurisdiction over health policy
 202.21 and finance. The report must include the names of the grant recipients, how the grant funds
 202.22 were spent, and how many individuals were served.

202.23 Sec. 39. **[144.398] TOBACCO USE PREVENTION ACCOUNT; ESTABLISHMENT**
 202.24 **AND USES.**

202.25 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have
 202.26 the meanings given.

202.27 (b) "Electronic delivery device" has the meaning given in section 609.685, subdivision
 202.28 1, paragraph (c).

202.29 (c) "Nicotine delivery product" has the meaning given in section 609.6855, subdivision
 202.30 1, paragraph (c).

202.31 (d) "Tobacco" has the meaning given in section 609.685, subdivision 1, paragraph (a).

203.1 (e) "Tobacco-related devices" has the meaning given in section 609.685, subdivision 1,
203.2 paragraph (b).

203.3 Subd. 2. **Account created.** A tobacco use prevention account is created in the special
203.4 revenue fund. Pursuant to section 16A.151, subdivision 2, paragraph (h), the commissioner
203.5 of management and budget shall deposit into the account any money received by the state
203.6 resulting from a settlement agreement or an assurance of discontinuance entered into by the
203.7 attorney general of the state, or a court order in litigation brought by the attorney general
203.8 of the state on behalf of the state or a state agency related to alleged violations of consumer
203.9 fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in
203.10 this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine
203.11 use.

203.12 Subd. 3. **Appropriations from tobacco use prevention account.** (a) Each fiscal year,
203.13 the amount of money in the tobacco use prevention account is appropriated to the
203.14 commissioner of health for:

203.15 (1) tobacco and electronic delivery device use prevention and cessation projects consistent
203.16 with the duties specified in section 144.392;

203.17 (2) a public information program under section 144.393;

203.18 (3) the development of health promotion and health education materials about tobacco
203.19 and electronic delivery device use prevention and cessation;

203.20 (4) tobacco and electronic delivery device use prevention activities under section 144.396;
203.21 and

203.22 (5) statewide tobacco cessation services under section 144.397.

203.23 (b) In activities funded under this subdivision, the commissioner of health must:

203.24 (1) prioritize preventing persons under the age of 21 from using commercial tobacco,
203.25 electronic delivery devices, tobacco-related devices, and nicotine delivery products;

203.26 (2) promote racial and health equity; and

203.27 (3) use strategies that are evidence-based or based on promising practices.

203.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

204.1 Sec. 40. [144.587] REQUIREMENTS FOR SCREENING FOR ELIGIBILITY FOR
204.2 HEALTH COVERAGE OR ASSISTANCE.

204.3 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section
204.4 and sections 144.588 to 144.589.

204.5 (b) "Charity care" means the provision of free or discounted care to a patient according
204.6 to a hospital's financial assistance policies.

204.7 (c) "Hospital" means a private, nonprofit, or municipal hospital licensed under sections
204.8 144.50 to 144.56.

204.9 (d) "Insurance affordability program" has the meaning given in section 256B.02,
204.10 subdivision 19.

204.11 (e) "Navigator" has the meaning given in section 62V.02, subdivision 9.

204.12 (f) "Presumptive eligibility" has the meaning given in section 256B.057, subdivision
204.13 12.

204.14 (g) "Revenue recapture" means the use of the procedures in chapter 270A to collect debt.

204.15 (h) "Uninsured service or treatment" means any service or treatment that is not covered
204.16 by:

204.17 (1) a health plan, contract, or policy that provides health coverage to a patient; or

204.18 (2) any other type of insurance coverage, including but not limited to no-fault automobile
204.19 coverage, workers' compensation coverage, or liability coverage.

204.20 (i) "Unreasonable burden" includes requiring a patient to apply for enrollment in a state
204.21 or federal program for which the patient is obviously or categorically ineligible or has been
204.22 found to be ineligible in the previous 12 months.

204.23 Subd. 2. Screening. (a) A hospital participating in the hospital presumptive eligibility
204.24 program under section 256B.057, subdivision 12, must determine whether a patient who is
204.25 uninsured or whose insurance coverage status is not known by the hospital is eligible for
204.26 hospital presumptive eligibility coverage.

204.27 (b) For any uninsured patient, including any patient the hospital determines is eligible
204.28 for hospital presumptive eligibility coverage, and for any patient whose insurance coverage
204.29 status is not known to the hospital, a hospital must:

205.1 (1) if it is a certified application counselor organization, schedule an appointment for
205.2 the patient with a certified application counselor to occur prior to discharge unless the
205.3 occurrence of the appointment would delay discharge;

205.4 (2) if the occurrence of the appointment under clause (1) would delay discharge or if
205.5 the hospital is not a certified application counselor organization, schedule prior to discharge
205.6 an appointment for the patient with a MNsure-certified navigator to occur after discharge
205.7 unless the scheduling of an appointment would delay discharge; or

205.8 (3) if the scheduling of an appointment under clause (2) would delay discharge or if the
205.9 patient declines the scheduling of an appointment under clause (1) or (2), provide the patient
205.10 with contact information for available MNsure-certified navigators who can meet the needs
205.11 of the patient.

205.12 (c) For any uninsured patient, including any patient the hospital determines is eligible
205.13 for hospital presumptive eligibility coverage, and any patient whose insurance coverage
205.14 status is not known to the hospital, a hospital must screen the patient for eligibility for charity
205.15 care from the hospital. The hospital must attempt to complete the screening process for
205.16 charity care in person or by telephone within 30 days after the patient receives services at
205.17 the hospital or at the emergency department associated with the hospital.

205.18 Subd. 3. **Charity care.** (a) Upon completion of the screening process in subdivision 2,
205.19 paragraph (c), the hospital must determine whether the patient is ineligible or potentially
205.20 eligible for charity care. When a hospital evaluates a patient's eligibility for charity care,
205.21 hospital requests to the responsible party for verification of assets or income shall be limited
205.22 to:

205.23 (1) information that is reasonably necessary and readily available to determine eligibility;
205.24 and

205.25 (2) facts that are relevant to determine eligibility.

205.26 A hospital must not demand duplicate forms of verification of assets.

205.27 (b) If the patient is not ineligible for charity care, the hospital must assist the patient
205.28 with applying for charity care and refer the patient to the appropriate department in the
205.29 hospital for follow-up. A hospital may not impose application procedures for charity care
205.30 that place an unreasonable burden on the individual patient, taking into account the individual
205.31 patient's physical, mental, intellectual, or sensory deficiencies or language barriers that may
205.32 hinder the patient's ability to comply with application procedures.

206.1 (c) A hospital may not initiate any of the actions described in subdivision 4 while the
206.2 patient's application for charity care is pending.

206.3 Subd. 4. **Prohibited actions.** A hospital must not initiate one or more of the following
206.4 actions until the hospital determines that the patient is ineligible for charity care or denies
206.5 an application for charity care:

206.6 (1) offering to enroll or enrolling the patient in a payment plan;

206.7 (2) changing the terms of a patient's payment plan;

206.8 (3) offering the patient a loan or line of credit, application materials for a loan or line of
206.9 credit, or assistance with applying for a loan or line of credit, for the payment of medical
206.10 debt;

206.11 (4) referring a patient's debt for collections, including in-house collections, third-party
206.12 collections, revenue recapture, or any other process for the collection of debt;

206.13 (5) denying health care services to the patient or any member of the patient's household
206.14 because of outstanding medical debt, regardless of whether the services are deemed necessary
206.15 or may be available from another provider; or

206.16 (6) accepting a credit card payment of over \$500 for the medical debt owed to the hospital.

206.17 Subd. 5. **Notice.** (a) A hospital must post notice of the availability of charity care from
206.18 the hospital in at least the following locations: (1) areas of the hospital where patients are
206.19 admitted or registered; (2) emergency departments; and (3) the portion of the hospital's
206.20 financial services or billing department that is accessible to patients. The posted notice must
206.21 be in all languages spoken by more than five percent of the population in the hospital's
206.22 service area.

206.23 (b) A hospital must make available on the hospital's website the current version of the
206.24 hospital's charity care policy, a plain-language summary of the policy, and the hospital's
206.25 charity care application form. The summary and application form must be available in all
206.26 languages spoken by more than five percent of the population in the hospital's service area.

206.27 Subd. 6. **Patient may decline services.** A patient may decline to complete an insurance
206.28 affordability program application to schedule an appointment with a certified application
206.29 counselor, to schedule an appointment with a MNsure-certified navigator, to accept
206.30 information about navigator services, to participate in the charity care screening process,
206.31 or to apply for charity care.

207.1 Subd. 7. **Enforcement.** In addition to the enforcement of this section by the
207.2 commissioner, the attorney general may enforce this section under section 8.31.

207.3 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to services
207.4 and treatments provided on or after that date.

207.5 Sec. 41. **[144.588] CERTIFICATION OF EXPERT REVIEW.**

207.6 Subdivision 1. **Requirement; action to collect medical debt or garnish wages or bank**
207.7 **accounts.** (a) In an action against a patient or guarantor for collection of medical debt owed
207.8 to a hospital or for garnishment of the patient's or guarantor's wages or bank accounts to
207.9 collect medical debt owed to a hospital, the hospital must serve on the defendant with the
207.10 summons and complaint an affidavit of expert review certifying that:

207.11 (1) unless the patient declined to participate, the hospital complied with the requirements
207.12 in section 144.587;

207.13 (2) there is a reasonable basis to believe that the patient owes the debt;

207.14 (3) all known third-party payors have been properly billed by the hospital, such that any
207.15 remaining debt is the financial responsibility of the patient, and the hospital will not bill the
207.16 patient for any amount that an insurance company is obligated to pay;

207.17 (4) the patient has been given a reasonable opportunity to apply for charity care, if the
207.18 facts and circumstances suggest that the patient may be eligible for charity care;

207.19 (5) where the patient has indicated an inability to pay the full amount of the debt in one
207.20 payment and provided reasonable verification of the inability to pay the full amount of the
207.21 debt in one payment if requested by the hospital, the hospital has offered the patient a
207.22 reasonable payment plan;

207.23 (6) there is no reasonable basis to believe that the patient's or guarantor's wages or funds
207.24 at a financial institution are likely to be exempt from garnishment; and

207.25 (7) in the case of a default judgment proceeding, there is not a reasonable basis to believe:

207.26 (i) that the patient may already consider that the patient has adequately answered the
207.27 complaint by calling or writing to the hospital, its debt collection agency, or its attorney;

207.28 (ii) that the patient is potentially unable to answer the complaint due to age, disability,
207.29 or medical condition; or

207.30 (iii) the patient may not have received service of the complaint.

208.1 (b) The affidavit of expert review must be completed by a designated employee of the
208.2 hospital seeking to initiate the action or garnishment.

208.3 Subd. 2. **Requirement; referral to third-party debt collection agency.** (a) In order to
208.4 refer a patient's account to a third-party debt collection agency, a hospital must complete
208.5 an affidavit of expert review certifying that:

208.6 (1) unless the patient declined to participate, the hospital complied with the requirements
208.7 in section 144.587;

208.8 (2) there is a reasonable basis to believe that the patient owes the debt;

208.9 (3) all known third-party payors have been properly billed by the hospital, such that any
208.10 remaining debt is the financial responsibility of the patient, and the hospital will not bill the
208.11 patient for any amount that an insurance company is obligated to pay;

208.12 (4) the patient has been given a reasonable opportunity to apply for charity care, if the
208.13 facts and circumstances suggest that the patient may be eligible for charity care; and

208.14 (5) where the patient has indicated an inability to pay the full amount of the debt in one
208.15 payment and provided reasonable verification of the inability to pay the full amount of the
208.16 debt in one payment if requested by the hospital, the hospital has offered the patient a
208.17 reasonable payment plan.

208.18 (b) The affidavit of expert review must be completed by a designated employee of the
208.19 hospital seeking to refer the patient's account to a third-party debt collection agency.

208.20 Subd. 3. **Penalty for noncompliance.** Failure to comply with subdivision 1 shall result,
208.21 upon motion, in mandatory dismissal with prejudice of the action to collect the medical
208.22 debt or to garnish the patient's or guarantor's wages or bank accounts. Failure to comply
208.23 with subdivision 2 shall subject a hospital to a fine assessed by the commissioner of health.
208.24 In addition to the enforcement of this section by the commissioner, the attorney general
208.25 may enforce this section under section 8.31.

208.26 Subd. 4. **Collection agency; immunity.** A collection agency, as defined in section
208.27 332.31, subdivision 3, is not liable under section 144.588, subdivision 3, for inaccuracies
208.28 in an affidavit of expert review completed by a designated employee of the hospital.

208.29 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to actions
208.30 and referrals to third-party debt collection agencies stemming from services and treatments
208.31 provided on or after that date.

209.1 Sec. 42. **[144.589] BILLING OF UNINSURED PATIENTS.**

209.2 **Subdivision 1. Limits on charges.** A hospital must not charge a patient whose annual
 209.3 household income is less than \$125,000 for any uninsured service or treatment in an amount
 209.4 that exceeds the lowest total amount the provider would be reimbursed for that service or
 209.5 treatment from a nongovernmental third-party payor. The lowest total amount the provider
 209.6 would be reimbursed for that service or treatment from a nongovernmental third-party payor
 209.7 includes both the amount the provider would be reimbursed directly from the
 209.8 nongovernmental third-party payor and the amount the provider would be reimbursed from
 209.9 the insured's policyholder under any applicable co-payments, deductibles, and coinsurance.
 209.10 This statute supersedes the language in the Minnesota Attorney General Hospital Agreement.

209.11 **Subd. 2. Enforcement.** In addition to the enforcement of this section by the
 209.12 commissioner, the attorney general may enforce this section under section 8.31.

209.13 **EFFECTIVE DATE.** This section is effective November 1, 2023, and applies to services
 209.14 and treatments provided on or after that date.

209.15 Sec. 43. Minnesota Statutes 2022, section 144.615, subdivision 7, is amended to read:

209.16 **Subd. 7. Limitations of services.** (a) The following limitations apply to the services
 209.17 performed at a birth center:

209.18 (1) surgical procedures must be limited to those normally accomplished during an
 209.19 uncomplicated birth, including episiotomy and repair; and

209.20 ~~(2) no abortions may be administered; and~~

209.21 ~~(3)~~ (2) no general or regional anesthesia may be administered.

209.22 (b) Notwithstanding paragraph (a), local anesthesia may be administered at a birth center
 209.23 if the administration of the anesthetic is performed within the scope of practice of a health
 209.24 care professional.

209.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

209.26 Sec. 44. Minnesota Statutes 2022, section 144.651, is amended by adding a subdivision
 209.27 to read:

209.28 **Subd. 10a. Designated support person for pregnant patient.** (a) Subject to paragraph
 209.29 (c), a health care provider and a health care facility must allow, at a minimum, one designated
 209.30 support person of a pregnant patient's choosing to be physically present while the patient
 209.31 is receiving health care services including during a hospital stay.

210.1 (b) For purposes of this subdivision, "designated support person" means any person
 210.2 chosen by the patient to provide comfort to the patient including but not limited to the
 210.3 patient's spouse, partner, family member, or another person related by affinity. Certified
 210.4 doulas and traditional midwives may not be counted toward the limit of one designated
 210.5 support person.

210.6 (c) A facility may restrict or prohibit the presence of a designed support person in
 210.7 treatment rooms, procedure rooms, and operating rooms when such a restriction or prohibition
 210.8 is strictly necessary to meet the appropriate standard of care. A facility may also restrict or
 210.9 prohibit the presence of a designated support person if the designated support person is
 210.10 acting in a violent or threatening manner toward others. Any restriction or prohibition of a
 210.11 designated support person by the facility is subject to the facility's written internal grievance
 210.12 procedure required by subdivision 20.

210.13 Sec. 45. Minnesota Statutes 2022, section 144.9501, subdivision 9, is amended to read:

210.14 Subd. 9. **Elevated blood lead level.** "Elevated blood lead level" means a diagnostic
 210.15 blood lead test with a result that is equal to or greater than ~~ten~~ 3.5 micrograms of lead per
 210.16 deciliter of whole blood in any person, unless the commissioner finds that a lower
 210.17 concentration is necessary to protect public health.

210.18 Sec. 46. **[144.9821] ADVANCING HEALTH EQUITY THROUGH CAPACITY**
 210.19 **BUILDING AND RESOURCE ALLOCATION.**

210.20 Subdivision 1. **Establishment of grant program.** (a) The commissioner of health shall
 210.21 establish an annual grant program to award infrastructure capacity building grants to help
 210.22 metro and rural community and faith-based organizations serving people of color, American
 210.23 Indians, LGBTQIA+ communities, and people living with disabilities in Minnesota who
 210.24 have been disproportionately impacted by health and other inequities to be better equipped
 210.25 and prepared for success in procuring grants and contracts at the department and addressing
 210.26 inequities.

210.27 (b) The commissioner of health shall create a framework at the department to maintain
 210.28 equitable practices in grantmaking to ensure that internal grantmaking and procurement
 210.29 policies and practices prioritize equity, transparency, and accessibility to include:

210.30 (1) a tracking system for the department to better monitor and evaluate equitable
 210.31 procurement and grantmaking processes and their impacts; and

211.1 (2) technical assistance and coaching to department leadership in grantmaking and
 211.2 procurement processes and programs and providing tools and guidance to ensure equitable
 211.3 and transparent competitive grantmaking processes and award distribution across
 211.4 communities most impacted by inequities and develop measures to track progress over time.

211.5 Subd. 2. **Commissioner's duties.** The commissioner of health shall:

211.6 (1) in consultation with community stakeholders, community health boards and Tribal
 211.7 nations, develop a request for proposals for an infrastructure capacity building grant program
 211.8 to help community-based organizations, including faith-based organizations, to be better
 211.9 equipped and prepared for success in procuring grants and contracts at the department and
 211.10 beyond;

211.11 (2) provide outreach, technical assistance, and program development support to increase
 211.12 capacity for new and existing community-based organizations and other service providers
 211.13 in order to better meet statewide needs particularly in greater Minnesota and areas where
 211.14 services to reduce health disparities have not been established;

211.15 (3) in consultation with community stakeholders, review responses to requests for
 211.16 proposals and award grants under this section;

211.17 (4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council,
 211.18 Minnesota Council on Disability, Minnesota Commission of the Deaf, DeafBlind, and Hard
 211.19 of Hearing, and the governor's office on the request for proposal process;

211.20 (5) in consultation with community stakeholders, establish a transparent and objective
 211.21 accountability process focused on outcomes that grantees agree to achieve;

211.22 (6) maintain data on outcomes reported by grantees; and

211.23 (7) establish a process or mechanism to evaluate the success of the capacity building
 211.24 grant program and to build the evidence base for effective community-based organizational
 211.25 capacity building in reducing disparities.

211.26 Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this
 211.27 section include: organizations or entities that work with diverse communities such as people
 211.28 of color, American Indians, LGBTQIA+ communities, and people with disabilities in metro
 211.29 and rural communities.

211.30 Subd. 4. **Strategic consideration and priority of proposals; eligible populations;**
 211.31 **grant awards.** (a) The commissioner, in consultation with community stakeholders, shall
 211.32 develop a request for proposals for equity in procurement and grantmaking capacity building
 211.33 grant program to help community-based organizations, including faith-based organizations

212.1 to be better equipped and prepared for success in procuring grants and contracts at the
212.2 department and addressing inequities.

212.3 (b) In awarding the grants, the commissioner shall provide strategic consideration and
212.4 give priority to proposals from organizations or entities led by populations of color or
212.5 American Indians, and those serving communities of color, American Indians, LGBTQIA+
212.6 communities, and disability communities.

212.7 Subd. 5. **Geographic distribution of grants.** The commissioner shall ensure that grant
212.8 funds are prioritized and awarded to organizations and entities that are within counties that
212.9 have a higher proportion of Black or African American, nonwhite Latino(a), LGBTQIA+,
212.10 and disability communities to the extent possible.

212.11 Subd. 6. **Report.** Grantees must report grant program outcomes to the commissioner on
212.12 the forms and according to the timelines established by the commissioner.

212.13 Sec. 47. Minnesota Statutes 2022, section 144G.16, subdivision 7, is amended to read:

212.14 Subd. 7. **Fines and penalties.** (a) The ~~fee~~ fine for failure to comply with the notification
212.15 requirements in section 144G.52, subdivision 7, is \$1,000.

212.16 (b) Fines and penalties collected under this section shall be deposited in a dedicated
212.17 special revenue account. On an annual basis, the balance in the special revenue account
212.18 shall be appropriated to the commissioner to implement the recommendations of the advisory
212.19 council established in section 144A.4799.

212.20 Sec. 48. Minnesota Statutes 2022, section 144G.18, is amended to read:

212.21 **144G.18 NOTIFICATION OF CHANGES IN INFORMATION.**

212.22 Subdivision 1. **Notification.** A provisional licensee or licensee shall notify the
212.23 commissioner in writing prior to a change in the manager or authorized agent and within
212.24 60 calendar days after any change in the information required in section 144G.12, subdivision
212.25 1, clause (1), (3), (4), (17), or (18).

212.26 Subd. 2. **Fines and penalties.** (a) The fine for failure to comply with the notification
212.27 requirements of this section is \$1,000.

212.28 (b) Fines and penalties collected under this subdivision shall be deposited in a dedicated
212.29 special revenue account. On an annual basis, the balance in the special revenue account
212.30 shall be appropriated to the commissioner to implement the recommendations of the advisory
212.31 council established in section 144A.4799.

213.1 Sec. 49. Minnesota Statutes 2022, section 144G.57, subdivision 8, is amended to read:

213.2 Subd. 8. ~~Fine~~ **Fines and penalties.** (a) The commissioner may impose a fine for failure
 213.3 to follow the requirements of this section.

213.4 (b) The fine for failure to comply with this section is \$1,000.

213.5 (c) Fines and penalties collected under this section shall be deposited in a dedicated
 213.6 special revenue account. On an annual basis, the balance in the special revenue account
 213.7 shall be appropriated to the commissioner to implement the recommendations of the advisory
 213.8 council established in section 144A.4799.

213.9 Sec. 50. **[145.361] LONG COVID AND RELATED CONDITIONS; ASSESSMENT**
 213.10 **AND MONITORING.**

213.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 213.12 the meanings given.

213.13 (b) "Long COVID" means health problems that people experience four or more weeks
 213.14 after being infected with SARS-CoV-2, the virus that causes COVID-19. Long COVID is
 213.15 also called post-COVID conditions, long-haul COVID, chronic COVID, post-acute COVID,
 213.16 or post-acute sequelae of COVID-19 (PASC).

213.17 (c) "Related conditions" means conditions associated with or sequelae of long COVID,
 213.18 including but not limited to myalgic encephalomyelitis/chronic fatigue syndrome (ME/CFS)
 213.19 and dysautonomia, and postural orthostatic tachycardia syndrome (POTS).

213.20 Subd. 2. **Establishment.** The commissioner of health shall establish a program to conduct
 213.21 community assessments and epidemiologic investigations to monitor and address impacts
 213.22 of long COVID and related conditions. The purposes of these activities are to:

213.23 (1) monitor trends in: incidence, prevalence, mortality, and health outcomes; changes
 213.24 in disability status, employment, and quality of life; and service needs of individuals with
 213.25 long COVID or related conditions and to detect potential public health problems, predict
 213.26 risks, and assist in investigating long COVID and related conditions health inequities;

213.27 (2) more accurately target information and resources for communities and patients and
 213.28 their families;

213.29 (3) inform health professionals and citizens about risks and early detection;

213.30 (4) promote evidence-based practices around long COVID and related conditions
 213.31 prevention and management and to address public concerns and questions about long COVID
 213.32 and related conditions; and

214.1 (5) research and track related conditions.

214.2 Subd. 3. **Partnerships.** The commissioner of health shall, in consultation with health
 214.3 care professionals, the commissioner of human services, local public health entities, health
 214.4 insurers, employers, schools, survivors of long COVID or related conditions, and community
 214.5 organizations serving people at high risk of long COVID or related conditions, identify
 214.6 priority actions and activities to address the needs for communication, services, resources,
 214.7 tools, strategies, and policies to support survivors of long COVID or related conditions and
 214.8 their families.

214.9 Subd. 4. **Grants and contracts.** The commissioner of health shall coordinate and
 214.10 collaborate with community and organizational partners to implement evidence-informed
 214.11 priority actions through community-based grants and contracts. The commissioner of health
 214.12 shall award grants and enter into contracts to organizations that serve communities
 214.13 disproportionately impacted by COVID-19, long COVID, or related conditions, including
 214.14 but not limited to rural and low-income areas, Black and African Americans, African
 214.15 immigrants, American Indians, Asian American-Pacific Islanders, Latino(a) communities,
 214.16 LGBTQ+ communities, and persons with living disabilities. Organizations may also address
 214.17 intersectionality within the groups. The commissioner shall award grants and award contracts
 214.18 to eligible organizations to plan, construct, and disseminate resources and information to
 214.19 support survivors of long COVID or related conditions, including caregivers, health care
 214.20 providers, ancillary health care workers, workplaces, schools, communities, and local and
 214.21 Tribal public health.

214.22 Sec. 51. Minnesota Statutes 2022, section 145.411, subdivision 1, is amended to read:

214.23 Subdivision 1. **Terms.** As used in sections 145.411 to ~~145.416~~ 145.415, the terms defined
 214.24 in this section have the meanings given to them.

214.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

214.26 Sec. 52. Minnesota Statutes 2022, section 145.411, subdivision 5, is amended to read:

214.27 Subd. 5. **Abortion.** "Abortion" includes an act, procedure or use of any instrument,
 214.28 medicine or drug which is supplied or prescribed for or administered to a ~~pregnant woman~~
 214.29 an individual with the intention of terminating, and which results in the termination of,
 214.30 pregnancy.

214.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

215.1 Sec. 53. Minnesota Statutes 2022, section 145.4131, subdivision 1, is amended to read:

215.2 Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare
215.3 a reporting form for use by physicians or facilities performing abortions. A copy of this
215.4 section shall be attached to the form. A physician or facility performing an abortion shall
215.5 obtain a form from the commissioner.

215.6 (b) The form shall require the following information:

215.7 (1) the number of abortions performed by the physician in the previous calendar year,
215.8 reported by month;

215.9 (2) the method used for each abortion;

215.10 (3) the approximate gestational age expressed in one of the following increments:

215.11 (i) less than nine weeks;

215.12 (ii) nine to ten weeks;

215.13 (iii) 11 to 12 weeks;

215.14 (iv) 13 to 15 weeks;

215.15 (v) 16 to 20 weeks;

215.16 (vi) 21 to 24 weeks;

215.17 (vii) 25 to 30 weeks;

215.18 (viii) 31 to 36 weeks; or

215.19 (ix) 37 weeks to term;

215.20 (4) the age of the woman at the time the abortion was performed;

215.21 ~~(5) the specific reason for the abortion, including, but not limited to, the following:~~

215.22 ~~(i) the pregnancy was a result of rape;~~

215.23 ~~(ii) the pregnancy was a result of incest;~~

215.24 ~~(iii) economic reasons;~~

215.25 ~~(iv) the woman does not want children at this time;~~

215.26 ~~(v) the woman's emotional health is at stake;~~

215.27 ~~(vi) the woman's physical health is at stake;~~

- 216.1 ~~(vii) the woman will suffer substantial and irreversible impairment of a major bodily~~
 216.2 ~~function if the pregnancy continues;~~
- 216.3 ~~(viii) the pregnancy resulted in fetal anomalies; or~~
- 216.4 ~~(ix) unknown or the woman refused to answer;~~
- 216.5 ~~(6) the number of prior induced abortions;~~
- 216.6 ~~(7) the number of prior spontaneous abortions;~~
- 216.7 ~~(8) whether the abortion was paid for by:~~
- 216.8 ~~(i) private coverage;~~
- 216.9 ~~(ii) public assistance health coverage; or~~
- 216.10 ~~(iii) self-pay;~~
- 216.11 ~~(9) whether coverage was under:~~
- 216.12 ~~(i) a fee-for-service plan;~~
- 216.13 ~~(ii) a capitated private plan; or~~
- 216.14 ~~(iii) other;~~
- 216.15 ~~(10)~~ (5) complications, if any, for each abortion and for the aftermath of each abortion.
- 216.16 Space for a description of any complications shall be available on the form;
- 216.17 ~~(11)~~ (6) the medical specialty of the physician performing the abortion; and
- 216.18 ~~(12)~~ (7) if the abortion was performed via telehealth, the facility code for the patient and
 216.19 the facility code for the physician; and.
- 216.20 ~~(13) whether the abortion resulted in a born alive infant, as defined in section 145.423,~~
 216.21 ~~subdivision 4, and:~~
- 216.22 ~~(i) any medical actions taken to preserve the life of the born alive infant;~~
- 216.23 ~~(ii) whether the born alive infant survived; and~~
- 216.24 ~~(iii) the status of the born alive infant, should the infant survive, if known.~~
- 216.25 Sec. 54. Minnesota Statutes 2022, section 145.4131, subdivision 2, is amended to read:
- 216.26 Subd. 2. **Submission.** A physician performing an abortion or a facility at which an
 216.27 abortion is performed shall complete and submit the form to the commissioner no later than
 216.28 ~~April 1~~ September 30 for abortions performed in the previous calendar year. The annual

217.1 report to the commissioner shall include the methods used to dispose of fetal tissue and
 217.2 remains.

217.3 Sec. 55. Minnesota Statutes 2022, section 145.4134, is amended to read:

217.4 **145.4134 COMMISSIONER'S PUBLIC REPORT.**

217.5 (a) By ~~July 1~~ December 31 of each year, ~~except for 1998 and 1999 information,~~ the
 217.6 commissioner shall issue a public report providing statistics for the previous calendar year
 217.7 compiled from the data submitted under sections 145.4131 to 145.4133 and sections 145.4241
 217.8 to 145.4249. ~~For 1998 and 1999 information, the report shall be issued October 1, 2000.~~
 217.9 Each report shall provide the statistics for all previous calendar years, adjusted to reflect
 217.10 any additional information from late or corrected reports. The commissioner shall ensure
 217.11 that none of the information included in the public reports can reasonably lead to
 217.12 identification of an individual having performed or having had an abortion. All data included
 217.13 on the forms under ~~sections~~ section 145.4131 ~~to 145.4133 and sections 145.4241 to 145.4249~~
 217.14 must be included in the public report, except that the commissioner shall maintain as
 217.15 confidential, data which alone or in combination may constitute information from which
 217.16 an individual having performed or having had an abortion may be identified using
 217.17 epidemiologic principles.

217.18 (b) The commissioner may, by rules adopted under chapter 14, alter the submission
 217.19 dates established under ~~sections~~ section 145.4131 ~~to 145.4133~~ for administrative convenience,
 217.20 fiscal savings, or other valid reason, provided that physicians or facilities ~~and the~~
 217.21 ~~commissioner of human services~~ submit the required information once each year and the
 217.22 commissioner issues a report once each year.

217.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

217.24 Sec. 56. Minnesota Statutes 2022, section 145.423, subdivision 1, is amended to read:

217.25 Subdivision 1. **Recognition; medical care.** ~~A born alive~~ An infant ~~as a result of an~~
 217.26 ~~abortion~~ who is born alive shall be fully recognized as a human person, and accorded
 217.27 immediate protection under the law. All reasonable measures consistent with good medical
 217.28 practice, including the compilation of appropriate medical records, shall be taken by the
 217.29 responsible medical personnel to ~~preserve the life and health of the born alive infant~~ care
 217.30 for the infant who is born alive.

217.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

218.1 Sec. 57. [145.561] 988 SUICIDE AND CRISIS LIFELINE.

218.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following have the
218.3 meanings given.

218.4 (b) "Commissioner" means the commissioner of health.

218.5 (c) "Department" means the Department of Health.

218.6 (d) "988" means the universal telephone number designated as the universal telephone
218.7 number within the United States for the purpose of the national suicide prevention and
218.8 mental health crisis hotline system operating through the 988 Suicide and Crisis Lifeline,
218.9 or its successor, maintained by the Assistant Secretary for Mental Health and Substance
218.10 Use under section 520E-3 of the Public Health Service Act (United States Code, title 42,
218.11 sections 290bb-36c).

218.12 (e) "988 administrator" means the administrator of the national 988 Suicide and Crisis
218.13 Lifeline maintained by the Assistant Secretary for Mental Health and Substance Use under
218.14 section 520E-3 of the Public Health Service Act.

218.15 (f) "988 contact" means a communication with the 988 Suicide and Crisis Lifeline system
218.16 within the United States via modalities offered including call, chat, or text.

218.17 (g) "988 Lifeline Center" means a state-identified center that is a member of the Suicide
218.18 and Crisis Lifeline network that responds to statewide or regional 988 contacts.

218.19 (h) "988 Suicide and Crisis Lifeline" or "988 Lifeline" means the national suicide
218.20 prevention and mental health crisis hotline system maintained by the Assistant Secretary
218.21 for Mental Health and Substance Use under section 520E-3 of the Public Health Service
218.22 Act (United States Code, title 42, sections 290bb-36c).

218.23 (i) "Veterans Crisis Line" means the Veterans Crisis Line maintained by the Secretary
218.24 of Veterans Affairs under United States Code, title 38, section 170F(h).

218.25 Subd. 2. 988 Lifeline. (a) The commissioner shall administer the designation of and
218.26 oversight for a 988 Lifeline center or a network of 988 Lifeline centers to answer contacts
218.27 from individuals accessing the Suicide and Crisis Lifeline from any jurisdiction within the
218.28 state 24 hours per day, seven days per week.

218.29 (b) The designated 988 Lifeline Center must:

218.30 (1) have an active agreement with the 988 Suicide and Crisis Lifeline program for
218.31 participation in the network and the department;

219.1 (2) meet the 988 Lifeline program requirements and best practice guidelines for
219.2 operational and clinical standards;

219.3 (3) provide data and reports, and participate in evaluations and related quality
219.4 improvement activities as required by the 988 Lifeline program and the department;

219.5 (4) identify or adapt technology that is demonstrated to be interoperable across mobile
219.6 crisis and public safety answering points used in the state for the purpose of crisis care
219.7 coordination;

219.8 (5) facilitate crisis and outgoing services, including mobile crisis teams in accordance
219.9 with guidelines established by the 988 Lifeline program and the department;

219.10 (6) actively collaborate and coordinate service linkages with mental health and substance
219.11 use disorder treatment providers, local community mental health centers including certified
219.12 community behavioral health clinics and community behavioral health centers, mobile crisis
219.13 teams, and community based and hospital emergency departments;

219.14 (7) offer follow-up services to individuals accessing the 988 Lifeline Center that are
219.15 consistent with guidance established by the 988 Lifeline program and the department; and

219.16 (8) meet the requirements set by the 988 Lifeline program and the department for serving
219.17 at-risk and specialized populations.

219.18 (c) The commissioner shall adopt rules to allow appropriate information sharing and
219.19 communication between and across crisis and emergency response systems.

219.20 (d) The commissioner, having primary oversight of suicide prevention, shall work with
219.21 the 988 Lifeline program, veterans crisis line, and other SAMHSA-approved networks for
219.22 the purpose of ensuring consistency of public messaging about 988 services.

219.23 (e) The commissioner shall work with representatives from 988 Lifeline Centers and
219.24 public safety answering points, other public safety agencies, and the commissioner of public
219.25 safety to facilitate the development of protocols and procedures for interactions between
219.26 988 and 911 services across Minnesota. Protocols and procedures shall be developed
219.27 following available national standards and guidelines.

219.28 (f) The commissioner shall provide an annual public report on 988 Lifeline usage,
219.29 including data on answer rates, abandoned calls, and referrals to 911 emergency response.

219.30 Subd. 3. **988 special revenue account.** (a) A 988 special revenue account is established
219.31 as a dedicated account in the special revenue fund to create and maintain a statewide 988
219.32 suicide and crisis lifeline system according to the National Suicide Hotline Designation Act

220.1 of 2020, the Federal Communications Commission's report and order FCC 20-100 adopted
220.2 July 16, 2020, and national guidelines for crisis care.

220.3 (b) The 988 special revenue account shall consist of:

220.4 (1) a 988 telecommunications fee imposed under subdivision 4;

220.5 (2) a prepaid wireless 988 fee imposed under section 403.161;

220.6 (3) transfers of state money into the account;

220.7 (4) grants and gifts intended for deposit in the account;

220.8 (5) interest, premiums, gains, and other earnings of the account; and

220.9 (6) money from any other source that is deposited in or transferred to the account.

220.10 (c) The account shall be administered by the commissioner. Money in the account shall
220.11 only be used to offset costs that are or may reasonably be attributed to:

220.12 (1) implementing, maintaining, and improving the 988 suicide and crisis lifeline, including
220.13 staff and technology infrastructure enhancements needed to achieve the operational standards
220.14 and best practices set forth by the 988 administrator and the department;

220.15 (2) data collection, reporting, participation in evaluations, public promotion, and related
220.16 quality improvement activities as required by the 988 administrator and the department;
220.17 and

220.18 (3) administration, oversight, and evaluation of the account.

220.19 (d) Money in the account:

220.20 (1) does not cancel at the end of any state fiscal year and is carried forward in subsequent
220.21 state fiscal years;

220.22 (2) is not subject to transfer to any other account or fund or to transfer, assignment, or
220.23 reassignment for any use or purpose other than the purposes specified in this subdivision;
220.24 and

220.25 (3) is appropriated to the commissioner for the purposes specified in this subdivision.

220.26 (e) The commissioner shall submit an annual report to the legislature and to the Federal
220.27 Communications Commission on deposits to and expenditures from the account.

220.28 Notwithstanding section 144.05, subdivision 7, the reports required under this paragraph
220.29 do not expire.

221.1 Subd. 4. **988 telecommunications fee.** (a) In compliance with the National Suicide
221.2 Hotline Designation Act of 2020, the commissioner shall impose a monthly statewide fee
221.3 on each subscriber of a wireline, wireless, or IP-enabled voice service at a rate that provides
221.4 for the robust creation, operation, and maintenance of a statewide 988 suicide prevention
221.5 and crisis system.

221.6 (b) The commissioner shall annually recommend to the Public Utilities Commission an
221.7 adequate and appropriate fee to implement this section. The amount of the fee must comply
221.8 with the limits in paragraph (c). The commissioner shall provide telecommunication service
221.9 providers and carriers a minimum of 45 days' notice of each fee change.

221.10 (c) The amount of the 988 telecommunications fee must not be more than 25 cents per
221.11 month on or after January 1, 2024, for each consumer access line, including trunk equivalents
221.12 as designated by the commission pursuant to section 403.11, subdivision 1. The 988
221.13 telecommunications fee must be the same for all subscribers.

221.14 (d) Each wireline, wireless, and IP-enabled voice telecommunication service provider
221.15 shall collect the 988 telecommunications fee and transfer the amounts collected to the
221.16 commissioner of public safety in the same manner as provided in section 403.11, subdivision
221.17 1, paragraph (d).

221.18 (e) The commissioner of public safety shall deposit the money collected from the 988
221.19 telecommunications fee to the 988 special revenue account established in subdivision 3.

221.20 (f) All 988 telecommunications fee revenue must be used to supplement, and not supplant,
221.21 federal, state, and local funding for suicide prevention.

221.22 (g) The 988 telecommunications fee amount shall be adjusted as needed to provide for
221.23 continuous operation of the lifeline centers and 988 hotline, volume increases, and
221.24 maintenance.

221.25 (h) The commissioner shall annually report to the Federal Communications Commission
221.26 on revenue generated by the 988 telecommunications fee.

221.27 Subd. 5. **988 fee for prepaid wireless telecommunications services.** (a) The 988
221.28 telecommunications fee established in subdivision 4 does not apply to prepaid wireless
221.29 telecommunications services. Prepaid wireless telecommunications services are subject to
221.30 the prepaid wireless 988 fee established in section 403.161, subdivision 1, paragraph (c).

221.31 (b) Collection, remittance, and deposit of prepaid wireless 988 fees are governed by
221.32 sections 403.161 and 403.162.

222.1 Subd. 6. **988 Lifeline operating budget; data to legislature.** The commissioner shall
 222.2 provide a biennial report for maintaining the 988 system to the legislature as part of the
 222.3 biennial departmental earnings report process under section 16A.1285, subdivision 3. The
 222.4 report must include data on direct and indirect expenditures to maintain the 988 system,
 222.5 988 fees collected, the balance in the 988 account, and the most recent forecast of revenues
 222.6 to and expenditures from the 988 account.

222.7 Subd. 7. **Waiver.** A wireless telecommunications service provider or wire-line
 222.8 telecommunications service provider may petition the commissioner for a waiver of all or
 222.9 portions of the requirements of this section. The commissioner may grant a waiver upon a
 222.10 demonstration by the petitioner that the requirement is economically infeasible.

222.11 Sec. 58. Minnesota Statutes 2022, section 145.87, subdivision 4, is amended to read:

222.12 Subd. 4. ~~Administrative costs~~ Administration. The commissioner may use up to seven
 222.13 percent of the annual appropriation under this section to provide training and technical
 222.14 assistance and to administer and evaluate the program. The commissioner may contract for
 222.15 training, capacity-building support for grantees or potential grantees, technical assistance,
 222.16 and evaluation support.

222.17 Sec. 59. [145.903] SCHOOL-BASED HEALTH CENTERS.

222.18 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 222.19 the meanings given.

222.20 (b) "School-based health center" or "comprehensive school-based health center" means
 222.21 a safety net health care delivery model that is located in or near a school facility and that
 222.22 offers comprehensive health care, including preventive and behavioral health services,
 222.23 provided by licensed and qualified health professionals in accordance with federal, state,
 222.24 and local law. When not located on school property, the school-based health center must
 222.25 have an established relationship with one or more schools in the community and operate to
 222.26 primarily serve those student groups.

222.27 (c) "Sponsoring organization" means any of the following that operate a school-based
 222.28 health center:

222.29 (1) health care providers;

222.30 (2) community clinics;

222.31 (3) hospitals;

223.1 (4) federally qualified health centers and look-alikes as defined in section 145.9269;

223.2 (5) health care foundations or nonprofit organizations;

223.3 (6) higher education institutions; or

223.4 (7) local health departments.

223.5 Subd. 2. **Expansion of Minnesota school-based health centers.** (a) The commissioner
 223.6 of health shall administer a program to provide grants to school districts and school-based
 223.7 health centers to support existing centers and facilitate the growth of school-based health
 223.8 centers in Minnesota.

223.9 (b) Grant funds distributed under this subdivision shall be used to support new or existing
 223.10 school-based health centers that:

223.11 (1) operate in partnership with a school or school district and with the permission of the
 223.12 school or school district board;

223.13 (2) provide health services through a sponsoring organization that meets the requirements
 223.14 in subdivision 1, paragraph (c); and

223.15 (3) provide health services to all students and youth within a school or school district,
 223.16 regardless of ability to pay, insurance coverage, or immigration status, and in accordance
 223.17 with federal, state, and local law.

223.18 (c) The commissioner of health shall administer a grant to a nonprofit organization to
 223.19 facilitate a community of practice among school-based health centers to improve quality,
 223.20 equity, and sustainability of care delivered through school-based health centers; encourage
 223.21 cross-sharing among school-based health centers; support existing clinics; and expand
 223.22 school-based health centers in new communities in Minnesota.

223.23 (d) Grant recipients shall report their activities and annual performance measures as
 223.24 defined by the commissioner in a format and time specified by the commissioner.

223.25 (e) The commissioners of health and of education shall coordinate the projects and
 223.26 initiatives funded under this section with other efforts at the local, state, or national level
 223.27 to avoid duplication and promote coordinated efforts.

223.28 Subd. 3. **School-based health center services.** (a) Services provided by a school-based
 223.29 health center may include but are not limited to:

223.30 (1) preventive health care;

223.31 (2) chronic medical condition management, including diabetes and asthma care;

- 224.1 (3) mental health care and crisis management;
- 224.2 (4) acute care for illness and injury;
- 224.3 (5) oral health care;
- 224.4 (6) vision care;
- 224.5 (7) nutritional counseling;
- 224.6 (8) substance abuse counseling;
- 224.7 (9) referral to a specialist, medical home, or hospital for care;
- 224.8 (10) additional services that address social determinants of health; and
- 224.9 (11) emerging services such as mobile health and telehealth.

224.10 (b) Services provided by a school-based health center must not replace the daily student
 224.11 support provided in the school by educational student service providers, including but not
 224.12 limited to licensed school nurses, educational psychologists, school social workers, and
 224.13 school counselors.

224.14 Subd. 4. **Sponsoring organizations.** A sponsoring organization that agrees to operate
 224.15 a school-based health center must enter into a memorandum of agreement with the school
 224.16 or school district. The memorandum of agreement must require the sponsoring organization
 224.17 to be financially responsible for the operation of school-based health centers in the school
 224.18 or school district and must identify the costs that are the responsibility of the school or
 224.19 school district, such as Internet access, custodial services, utilities, and facility maintenance.
 224.20 To the greatest extent possible, a sponsoring organization must bill private insurers, medical
 224.21 assistance, and other public programs for services provided in the school-based health
 224.22 centers in order to maintain the financial sustainability of school-based health centers.

224.23 Sec. 60. Minnesota Statutes 2022, section 145.924, is amended to read:

224.24 **145.924 AIDS HIV PREVENTION GRANTS.**

224.25 (a) The commissioner may award grants to community health boards as defined in section
 224.26 145A.02, subdivision 5, state agencies, state councils, or nonprofit corporations to provide
 224.27 evaluation and counseling services to populations at risk for acquiring human
 224.28 immunodeficiency virus infection, including, but not limited to, minorities communities of
 224.29 color, adolescents, intravenous drug users women, people who inject drugs, and homosexual
 224.30 men gay, bisexual, and transgender individuals.

225.1 (b) The commissioner may award grants to agencies experienced in providing services
 225.2 to communities of color, for the design of innovative outreach and education programs for
 225.3 targeted groups within the community who may be at risk of acquiring the human
 225.4 immunodeficiency virus infection, including ~~intravenous drug users~~ people who inject drugs
 225.5 and their partners, adolescents, women, and gay and, bisexual, and transgender individuals
 225.6 ~~and women~~. Grants shall be awarded on a request for proposal basis and shall include funds
 225.7 for administrative costs. Priority for grants shall be given to agencies or organizations that
 225.8 have experience in providing service to the particular community which the grantee proposes
 225.9 to serve; that have policy makers representative of the targeted population; that have
 225.10 experience in dealing with issues relating to HIV/AIDS; and that have the capacity to deal
 225.11 effectively with persons of differing sexual orientations. For purposes of this paragraph,
 225.12 the "communities of color" are: the American-Indian community; the Hispanic community;
 225.13 the African-American community; and the Asian-Pacific Islander community.

225.14 (c) All state grants awarded under this section for programs targeted to adolescents shall
 225.15 include the promotion of abstinence from sexual activity and drug use.

225.16 (d) The commissioner shall administer a grant program to provide funds to organizations,
 225.17 including Tribal health agencies, to assist with HIV outbreaks.

225.18 Sec. 61. Minnesota Statutes 2022, section 145.925, is amended to read:

225.19 **145.925 FAMILY PLANNING SEXUAL AND REPRODUCTIVE HEALTH**
 225.20 **SERVICES GRANTS.**

225.21 Subdivision 1. ~~Eligible organizations; purpose~~ **Goal and establishment.** ~~The~~
 225.22 ~~commissioner of health may make special grants to cities, counties, groups of cities or~~
 225.23 ~~counties, or nonprofit corporations to provide pre-pregnancy family planning services. (a)~~
 225.24 It is the goal of the state to increase access to sexual and reproductive health services for
 225.25 people who experience barriers, whether geographic, cultural, financial, or other, in access
 225.26 to such services. The commissioner of health shall administer grants to facilitate access to
 225.27 sexual and reproductive health services for people of reproductive age, particularly those
 225.28 from populations that experience barriers to these services.

225.29 (b) The commissioner of health shall coordinate with other efforts at the local, state, or
 225.30 national level to avoid duplication and promote complementary efforts in sexual and
 225.31 reproductive health service promotion among people of reproductive age.

225.32 ~~Subd. 1a. Family planning services; defined.~~ "Family planning services" means
 225.33 ~~counseling by trained personnel regarding family planning; distribution of information~~

226.1 ~~relating to family planning, referral to licensed physicians or local health agencies for~~
 226.2 ~~consultation, examination, medical treatment, genetic counseling, and prescriptions for the~~
 226.3 ~~purpose of family planning; and the distribution of family planning products, such as charts,~~
 226.4 ~~thermometers, drugs, medical preparations, and contraceptive devices. For purposes of~~
 226.5 ~~sections 145A.01 to 145A.14, family planning shall mean voluntary action by individuals~~
 226.6 ~~to prevent or aid conception but does not include the performance, or make referrals for~~
 226.7 ~~encouragement of voluntary termination of pregnancy.~~

226.8 ~~Subd. 2. **Prohibition.** The commissioner shall not make special grants pursuant to this~~
 226.9 ~~section to any nonprofit corporation which performs abortions. No state funds shall be used~~
 226.10 ~~under contract from a grantee to any nonprofit corporation which performs abortions. This~~
 226.11 ~~provision shall not apply to hospitals licensed pursuant to sections 144.50 to 144.56, or~~
 226.12 ~~health maintenance organizations certified pursuant to chapter 62D.~~

226.13 Subd. 2a. **Sexual and reproductive health services defined.** For purposes of this section,
 226.14 "sexual and reproductive health services" means services that promote a state of complete
 226.15 physical, mental, and social well-being in relation to sexuality, reproduction, and the
 226.16 reproductive system and its functions and processes, and not merely the absence of disease
 226.17 or infirmity. These services must be provided in accord with nationally recognized standards
 226.18 and include but are not limited to sexual and reproductive health counseling, voluntary and
 226.19 informed decision-making on sexual and reproductive health, information on and provision
 226.20 of contraceptive methods, sexual and reproductive health screenings and treatment, pregnancy
 226.21 testing and counseling, and other preconception services.

226.22 ~~Subd. 3. **Minors Grants authorized.** No funds provided by grants made pursuant to~~
 226.23 ~~this section shall be used to support any family planning services for any unemancipated~~
 226.24 ~~minor in any elementary or secondary school building. (a) The commissioner of health shall~~
 226.25 award grants to eligible community organizations, including nonprofit organizations,
 226.26 community health boards, and Tribal communities in rural and metropolitan areas of the
 226.27 state to support, sustain, expand, or implement reproductive and sexual health programs for
 226.28 people of reproductive age to increase access to and availability of medically accurate sexual
 226.29 and reproductive health services.

226.30 (b) The commissioner of health shall establish application scoring criteria to use in the
 226.31 evaluation of applications submitted for award under this section. These criteria shall include
 226.32 but are not limited to the degree to which applicants' programming responds to demographic
 226.33 factors relevant to paragraph (f) and subdivision 1, paragraph (a).

227.1 (c) When determining whether to award a grant or the amount of a grant under this
227.2 section, the commissioner of health may identify and stratify geographic regions based on
227.3 the region's need for sexual and reproductive health services. In this stratification, the
227.4 commissioner may consider data on the prevalence of poverty and other factors relevant to
227.5 a geographic region's need for sexual and reproductive health services.

227.6 (d) The commissioner of health may consider geographic and Tribal communities'
227.7 representation in the award of grants.

227.8 (e) Current recipients of funding under this section shall not be afforded priority over
227.9 new applicants.

227.10 (f) Grant funds shall be used to support new or existing sexual and reproductive health
227.11 programs that provide person-centered, accessible services; that are culturally and
227.12 linguistically appropriate, inclusive of all people, and trauma-informed; that protect the
227.13 dignity of the individual; and that ensure equitable, quality services consistent with nationally
227.14 recognized standards of care. These services shall include:

227.15 (1) education and outreach on medically accurate sexual and reproductive health
227.16 information;

227.17 (2) contraceptive counseling, provision of contraceptive methods, and follow-up;

227.18 (3) screening, testing, and treatment of sexually transmitted infections and other sexual
227.19 or reproductive concerns; and

227.20 (4) referral and follow-up for medical, financial, mental health, and other services in
227.21 accord with a service recipient's needs.

227.22 Subd. 4. **Parental notification.** Except as provided in sections 144.341 and 144.342,
227.23 any person employed to provide family planning services who is paid in whole or in part
227.24 from funds provided under this section who advises an abortion or sterilization to any
227.25 unemancipated minor shall, following such a recommendation, so notify the parent or
227.26 guardian of the reasons for such an action.

227.27 ~~Subd. 5. **Rules.** The commissioner of health shall promulgate rules for approval of plans~~
227.28 ~~and budgets of prospective grant recipients, for the submission of annual financial and~~
227.29 ~~statistical reports, and the maintenance of statements of source and application of funds by~~
227.30 ~~grant recipients. The commissioner of health may not require that any home rule charter or~~
227.31 ~~statutory city or county apply for or receive grants under this subdivision as a condition for~~
227.32 ~~the receipt of any state or federal funds unrelated to family planning services.~~

228.1 Subd. 6. **Public services; individual ~~and employee rights~~.** The request of any person
 228.2 for ~~family planning~~ sexual and reproductive health services or the refusal to accept any
 228.3 service shall in no way affect the right of the person to receive public assistance, public
 228.4 health services, or any other public service. Nothing in this section shall abridge the right
 228.5 of the ~~individual person~~ to make decisions concerning ~~family planning~~ sexual and
 228.6 reproductive health, nor shall any ~~individual person~~ be required to state a reason for refusing
 228.7 any offer of ~~family planning~~ sexual and reproductive health services.

228.8 ~~Any employee of the agencies engaged in the administration of the provisions of this~~
 228.9 ~~section may refuse to accept the duty of offering family planning services to the extent that~~
 228.10 ~~the duty is contrary to personal beliefs. A refusal shall not be grounds for dismissal,~~
 228.11 ~~suspension, demotion, or any other discrimination in employment. The directors or~~
 228.12 ~~supervisors of the agencies shall reassign the duties of employees in order to carry out the~~
 228.13 ~~provisions of this section.~~

228.14 All information gathered by any agency, entity, or individual conducting programs in
 228.15 ~~family planning~~ sexual and reproductive health is private data on individuals within the
 228.16 meaning of section 13.02, subdivision 12. For any person or entity meeting the definition
 228.17 of a "provider" under section 144.291, subdivision 2, paragraph (i), all sexual and
 228.18 reproductive health services information provided to, gathered about, or received from a
 228.19 person under this section is also subject to the Minnesota Health Records Act, in sections
 228.20 144.291 to 144.298.

228.21 Subd. 7. **Family planning services; information required.** A grant recipient shall
 228.22 ~~inform any person requesting counseling on family planning methods or procedures of:~~

228.23 ~~(1) Any methods or procedures which may be followed, including identification of any~~
 228.24 ~~which are experimental or any which may pose a health hazard to the person;~~

228.25 ~~(2) A description of any attendant discomforts or risks which might reasonably be~~
 228.26 ~~expected;~~

228.27 ~~(3) A fair explanation of the likely results, should a method fail;~~

228.28 ~~(4) A description of any benefits which might reasonably be expected of any method;~~

228.29 ~~(5) A disclosure of appropriate alternative methods or procedures;~~

228.30 ~~(6) An offer to answer any inquiries concerning methods or procedures; and~~

228.31 ~~(7) An instruction that the person is free either to decline commencement of any method~~
 228.32 ~~or procedure or to withdraw consent to a method or procedure at any reasonable time.~~

229.1 ~~Subd. 8. **Coercion; penalty.** Any person who receives compensation for services under~~
 229.2 ~~any program receiving financial assistance under this section, who coerces or endeavors to~~
 229.3 ~~coerce any person to undergo an abortion or sterilization procedure by threatening the person~~
 229.4 ~~with the loss of or disqualification for the receipt of any benefit or service under a program~~
 229.5 ~~receiving state or federal financial assistance shall be guilty of a misdemeanor.~~

229.6 ~~Subd. 9. **Amount of grant; rules.** Notwithstanding any rules to the contrary, including~~
 229.7 ~~rules proposed in the State Register on April 1, 1991, the commissioner, in allocating grant~~
 229.8 ~~funds for family planning special projects, shall not limit the total amount of funds that can~~
 229.9 ~~be allocated to an organization. The commissioner shall allocate to an organization receiving~~
 229.10 ~~grant funds on July 1, 1997, at least the same amount of grant funds for the 1998 to 1999~~
 229.11 ~~grant cycle as the organization received for the 1996 to 1997 grant cycle, provided the~~
 229.12 ~~organization submits an application that meets grant funding criteria. This subdivision does~~
 229.13 ~~not affect any procedure established in rule for allocating special project money to the~~
 229.14 ~~different regions. The commissioner shall revise the rules for family planning special project~~
 229.15 ~~grants so that they conform to the requirements of this subdivision. In adopting these~~
 229.16 ~~revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but~~
 229.17 ~~is bound by section 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph~~
 229.18 ~~(b), does not apply to these rules.~~

229.19 **Sec. 62. [145.9273] TESTING FOR LEAD IN DRINKING WATER IN CHILD**
 229.20 **CARE SETTINGS.**

229.21 Subdivision 1. **Requirement to test.** (a) By July 1, 2024, licensed or certified child care
 229.22 providers must develop a plan to accurately and efficiently test for the presence of lead in
 229.23 drinking water in child care facilities following either the Department of Health's document
 229.24 "Reducing Lead in Drinking Water: A Technical Guidance for Minnesota's School and
 229.25 Child Care Facilities" or the Environmental Protection Agency's "3Ts: Training, Testing,
 229.26 Taking Action" guidance materials.

229.27 (b) For purposes of this section, "licensed or certified child care provider" means a child
 229.28 care center licensed under Minnesota Rules, chapter 9503, or a certified license-exempt
 229.29 child care center under chapter 245H.

229.30 Subd. 2. **Scope and frequency of testing.** The plan under subdivision 1 must include
 229.31 testing every building serving children and all water fixtures used for consumption of water,
 229.32 including water used in food preparation. All taps must be tested at least once every five
 229.33 years. A licensed or certified child care provider must begin testing in buildings by July 1,
 229.34 2024, and complete testing in all buildings that serve students within five years.

230.1 Subd. 3. Remediation of lead in drinking water. The plan under subdivision 1 must
230.2 include steps to remediate if lead is present in drinking water. A licensed or certified child
230.3 care provider that finds lead at concentrations at or exceeding five parts per billion at a
230.4 specific location providing water to children within its facilities must take action to reduce
230.5 lead exposure following guidance and verify the success of remediation by retesting the
230.6 location for lead. Remediation actions are actions that reduce lead levels from the drinking
230.7 water fixture as demonstrated by testing. This includes using certified filters, implementing
230.8 and documenting a building-wide flushing program, and replacing or removing fixtures
230.9 with elevated lead levels.

230.10 Subd. 4. Reporting results. (a) A licensed or certified child care provider that tested its
230.11 buildings for the presence of lead shall make the results of the testing and any remediation
230.12 steps taken available to parents and staff and notify them of the availability of results.
230.13 Reporting shall occur no later than 30 days from receipt of results and annually thereafter.

230.14 (b) Beginning July 1, 2024, a licensed or certified child care provider must report the
230.15 provider's test results and remediation activities to the commissioner of health annually on
230.16 or before July 1 of each year.

230.17 Sec. 63. [145.9275] LEAD REMEDIATION IN SCHOOL AND CHILD CARE
230.18 SETTINGS GRANT PROGRAM.

230.19 Subdivision 1. Establishment; purpose. The commissioner of health shall develop a
230.20 grant program for the purpose of remediating identified sources of lead in drinking water
230.21 in schools and licensed child care settings.

230.22 Subd. 2. Grants authorized. The commissioner shall award grants through a request
230.23 for proposals process to schools and licensed child care settings. Priority shall be given to
230.24 schools and licensed child care settings with higher levels of lead detected in water samples,
230.25 evidence of lead service lines, or lead plumbing materials and school districts that serve
230.26 disadvantaged communities.

230.27 Subd. 3. Grant allocation. Grantees must use the funds to address sources of lead
230.28 contamination in their facilities including but not limited to service connections and premise
230.29 plumbing, and to implement best practices for water management within the building.

230.30 Sec. 64. [145.9571] HEALTHY BEGINNINGS, HEALTHY FAMILIES ACT.

230.31 Sections 145.9571 to 145.9576 are the Healthy Beginnings, Healthy Families Act.

231.1 Sec. 65. **[145.9572] MINNESOTA PERINATAL QUALITY COLLABORATIVE.**

231.2 Subdivision 1. **Duties.** The Minnesota perinatal quality collaborative is established to
 231.3 improve pregnancy outcomes for pregnant people and newborns through efforts to:

231.4 (1) advance evidence-based and evidence-informed clinics and other health service
 231.5 practices and processes through quality care review, chart audits, and continuous quality
 231.6 improvement initiatives that enable equitable outcomes;

231.7 (2) review current data, trends, and research on best practices to inform and prioritize
 231.8 quality improvement initiatives;

231.9 (3) identify methods that incorporate antiracism into individual practice and organizational
 231.10 guidelines in the delivery of perinatal health services;

231.11 (4) support quality improvement initiatives to address substance use disorders in pregnant
 231.12 people and infants with neonatal abstinence syndrome or other effects of substance use;

231.13 (5) provide a forum to discuss state-specific system and policy issues to guide quality
 231.14 improvement efforts that improve population-level perinatal outcomes;

231.15 (6) reach providers and institutions in a multidisciplinary, collaborative, and coordinated
 231.16 effort across system organizations to reinforce a continuum of care model; and

231.17 (7) support health care facilities in monitoring interventions through rapid data collection
 231.18 and applying system changes to provide improved care in perinatal health.

231.19 Subd. 2. **Grants authorized.** The commissioner of health must, within available
 231.20 appropriations, award one grant to a nonprofit organization to support efforts that improve
 231.21 maternal and infant health outcomes aligned with the purpose outlined in subdivision 1.
 231.22 The commissioner must give preference to a nonprofit organization that has the ability to
 231.23 provide these services throughout the state. The commissioner must provide content expertise
 231.24 to the grant recipient to further the accomplishment of the purpose.

231.25 Sec. 66. **[145.9573] MINNESOTA PARTNERSHIP TO PREVENT INFANT**
 231.26 **MORTALITY.**

231.27 (a) The commissioner of health must establish the Minnesota partnership to prevent
 231.28 infant mortality program that is a statewide partnership program to engage communities,
 231.29 exchange best practices, share summary data on infant health, and promote policies to
 231.30 improve birth outcomes and eliminate preventable infant mortality.

231.31 (b) The goal of the Minnesota partnership to prevent infant mortality program is to:

232.1 (1) build a statewide multisectoral partnership including the state government, local
 232.2 public health agencies, Tribes, private sector, and community nonprofit organizations with
 232.3 the shared goal of decreasing infant mortality rates among populations with significant
 232.4 disparities, including among Black, American Indian, other nonwhite communities, and
 232.5 rural populations;

232.6 (2) address the leading causes of poor infant health outcomes such as premature birth,
 232.7 infant sleep-related deaths, and congenital anomalies through strategies to change social
 232.8 and environmental determinants of health; and

232.9 (3) promote the development, availability, and use of data-informed, community-driven
 232.10 strategies to improve infant health outcomes.

232.11 **Sec. 67. [145.9574] GRANTS.**

232.12 Subdivision 1. **Improving pregnancy and infant outcomes grant.** The commissioner
 232.13 of health must, within available appropriations, make a grant to a nonprofit organization to
 232.14 create or sustain a multidisciplinary network of representatives of health care systems, health
 232.15 care providers, academic institutions, local and state agencies, and community partners that
 232.16 will collaboratively improve pregnancy and infant outcomes through evidence-based,
 232.17 population-level quality improvement initiatives.

232.18 Subd. 2. **Improving infant health grants.** (a) The commissioner of health must award
 232.19 grants to eligible applicants to convene, coordinate, and implement data-driven strategies
 232.20 and culturally relevant activities to improve infant health by reducing preterm birth,
 232.21 sleep-related infant deaths, and congenital malformations and address social and
 232.22 environmental determinants of health. Eligible entities include community nonprofit
 232.23 organizations, Tribal governments, and community health boards. In accordance with
 232.24 available funding, the commissioner may award grants on a noncompetitive basis to the 11
 232.25 sovereign Tribal governments if their respective proposals demonstrate the ability to
 232.26 implement programs designed to achieve the purposes in subdivision 1 and meet other
 232.27 requirements of this section. An eligible applicant must submit a complete application to
 232.28 the commissioner of health by the deadline established by the commissioner. The
 232.29 commissioner must award all other grants competitively to eligible applicants in metropolitan
 232.30 and rural areas of the state and may consider geographic representation in grant awards.

232.31 (b) Grantee activities must:

232.32 (1) address the leading cause or causes of infant mortality;

232.33 (2) be based on community input;

- 233.1 (3) focus on policy, systems, and environmental changes that support infant health; and
- 233.2 (4) address the health disparities and inequities that are experienced in the grantee's
- 233.3 community.
- 233.4 (c) The commissioner must review each application to determine whether the application
- 233.5 is complete and whether the applicant and the project are eligible for a grant. In evaluating
- 233.6 applications according to this subdivision, the commissioner must establish criteria including
- 233.7 but not limited to: the eligibility of the applicant's project under this section; the applicant's
- 233.8 thoroughness and clarity in describing the infant health issues grant funds are intended to
- 233.9 address; a description of the applicant's proposed project; the project's likelihood to achieve
- 233.10 the grant's purposes as described in this section; a description of the population demographics
- 233.11 and service area of the proposed project; and evidence of efficiencies and effectiveness
- 233.12 gained through collaborative efforts.
- 233.13 (d) Grant recipients must report their activities to the commissioner in a format and at
- 233.14 a time specified by the commissioner.
- 233.15 Sec. 68. **[145.9575] DEVELOPMENTAL AND SOCIAL-EMOTIONAL SCREENING**
- 233.16 **WITH FOLLOW-UP.**
- 233.17 Subdivision 1. **Developmental and social-emotional screening with follow-up.** The
- 233.18 goal of the developmental and social-emotional screening is to identify young children at
- 233.19 risk for developmental and behavioral concerns and provide follow-up services to connect
- 233.20 families and young children to appropriate community-based resources and programs. The
- 233.21 commissioner of health must work with the commissioners of human services and education
- 233.22 to implement this section and promote interagency coordination with other early childhood
- 233.23 programs including those that provide screening and assessment.
- 233.24 Subd. 2. **Duties.** The commissioner must:
- 233.25 (1) increase the awareness of developmental and social-emotional screening with
- 233.26 follow-up in coordination with community and state partners;
- 233.27 (2) expand existing electronic screening systems to administer developmental and
- 233.28 social-emotional screening to children from birth to kindergarten entrance;
- 233.29 (3) provide screening for developmental and social-emotional delays based on current
- 233.30 recommended best practices;

234.1 (4) review and share the results of the screening with the parent or guardian and support
234.2 families in their role as caregivers by providing anticipatory guidance around typical growth
234.3 and development;

234.4 (5) refer and connect children and families with appropriate community-based services
234.5 and resources when any developmental or social-emotional concerns are identified through
234.6 screening; and

234.7 (6) establish performance measures and collect, analyze, and share program data regarding
234.8 population-level outcomes of developmental and social-emotional screening, referrals to
234.9 community-based services, and follow-up services.

234.10 Subd. 3. **Grants.** The commissioner must award grants to support follow-up services
234.11 for children with developmental or social-emotional concerns identified through screening
234.12 in order to link children and their families to appropriate community-based services and
234.13 resources. Grants may also be awarded to train and utilize cultural liaisons to help families
234.14 navigate the screening and follow-up process in a culturally and linguistically responsive
234.15 manner. Eligible grantees include community-based organizations, community health boards,
234.16 and Tribal Nations. The commissioner must provide technical assistance, content expertise,
234.17 and training to grant recipients to ensure that follow-up services are effectively provided.

234.18 Sec. 69. [145.9576] MODEL JAIL PRACTICES.

234.19 Subdivision 1. **Model jail practices for incarcerated parents.** (a) The commissioner
234.20 of health may make grants to counties and groups of counties to implement model jail
234.21 practices and to county governments, Tribal governments, or nonprofit organizations in
234.22 corresponding geographic areas to build partnerships with county jails to support children
234.23 of incarcerated parents and their caregivers.

234.24 (b) "Model jail practices" means a set of practices that correctional administrators can
234.25 implement to remove barriers that may prevent children from cultivating or maintaining
234.26 relationships with their incarcerated parents during and immediately after incarceration
234.27 without compromising the safety or security of the correctional facility.

234.28 Subd. 2. **Grants authorized; model jail practices.** (a) The commissioner of health may
234.29 award grants to eligible county jails to implement model jail practices and separate grants
234.30 to county governments, Tribal governments, or nonprofit organizations in corresponding
234.31 geographic areas to build partnerships with county jails to support children of incarcerated
234.32 parents and their caregivers.

234.33 (b) Grantee activities include but are not limited to:

- 235.1 (1) parenting classes or groups;
- 235.2 (2) family-centered intake and assessment of inmate programs;
- 235.3 (3) family notification, information, and communication strategies;
- 235.4 (4) correctional staff training;
- 235.5 (5) policies and practices for family visits; and
- 235.6 (6) family-focused reentry planning.
- 235.7 (c) Grant recipients must report their activities to the commissioner in a format and at
- 235.8 a time specified by the commissioner.
- 235.9 **Subd. 3. Technical assistance and oversight; model jail practices.** (a) The
- 235.10 commissioner may provide content expertise, training to grant recipients, and advice on
- 235.11 evidence-based strategies, including evidence-based training to support incarcerated parents.
- 235.12 (b) For the purposes of carrying out the grant program under subdivision 2, including
- 235.13 for administrative purposes, the commissioner may award contracts to appropriate entities
- 235.14 to assist in training and provide technical assistance to grantees.
- 235.15 (c) Contracts awarded under paragraph (b) may be used to provide technical assistance
- 235.16 and training in the areas of:
- 235.17 (1) evidence-based training for incarcerated parents;
- 235.18 (2) partnership building and community engagement;
- 235.19 (3) evaluation of process and outcomes of model jail practices; and
- 235.20 (4) expert guidance on reducing the harm caused to children of incarcerated parents and
- 235.21 application of model jail practices.
- 235.22 **Sec. 70. [145.987] HEALTH EQUITY ADVISORY AND LEADERSHIP (HEAL)**
- 235.23 **COUNCIL.**
- 235.24 **Subdivision 1. Establishment; composition of advisory council.** The health equity
- 235.25 advisory and leadership (HEAL) council consists of 18 members appointed by the
- 235.26 commissioner of health who will provide representation from the following groups:
- 235.27 (1) African American and African heritage communities;
- 235.28 (2) Asian American and Pacific Islander communities;
- 235.29 (3) Latina/o/x communities;

236.1 (4) American Indian communities and Tribal governments and nations;

236.2 (5) disability communities;

236.3 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

236.4 (7) representatives who reside outside the seven-county metropolitan area.

236.5 Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members
236.6 of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except
236.7 that terms for advisory council members shall be for two years. Members may be reappointed
236.8 to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the
236.9 advisory council shall not expire. The commissioner shall recommend appointments to
236.10 replace members vacating their positions in a timely manner, no more than three months
236.11 after the advisory council reviews panel recommendations.

236.12 (b) The commissioner must convene meetings at least quarterly and must provide meeting
236.13 space and administrative support to the advisory council. Subcommittees may be convened
236.14 as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter
236.15 13D.

236.16 Subd. 3. **Duties.** The advisory council shall:

236.17 (1) advise the commissioner on health equity issues and the health equity priorities and
236.18 concerns of the populations specified in subdivision 1;

236.19 (2) assist the agency in efforts to advance health equity, including consulting in specific
236.20 agency policies and programs, providing ideas and input about potential budget and policy
236.21 proposals, and recommending review of agency policies, standards, or procedures that may
236.22 create or perpetuate health inequities; and

236.23 (3) assist the agency in developing and monitoring meaningful performance measures
236.24 related to advancing health equity.

236.25 Subd. 4. **Expiration.** The advisory council shall remain in existence until health inequities
236.26 in the state are eliminated. Health inequities will be considered eliminated when race,
236.27 ethnicity, income, gender, gender identity, geographic location, or other identity or social
236.28 marker will no longer be predictors of health outcomes in the state. Section 145.928 describes
236.29 nine health disparities that must be considered when determining whether health inequities
236.30 have been eliminated in the state.

236.31 Subd. 5. **Annual report.** By January 15 each year, the commissioner or a designee, in
236.32 collaboration with the advisory council, must submit a report to the chairs and ranking

237.1 minority members of the legislative committees with jurisdiction over health policy and
237.2 finance summarizing the work of the advisory council over the previous year and setting
237.3 goals for the upcoming year.

237.4 Sec. 71. **[145.988] HELP ME CONNECT RESOURCE AND REFERRAL SYSTEM**
237.5 **FOR CHILDREN.**

237.6 Subdivision 1. **Establishment; purpose.** The commissioner shall establish the Help Me
237.7 Connect resource and referral system for children as a comprehensive, collaborative resource
237.8 and referral system for children from the prenatal stage through age eight, and their families.
237.9 The commissioner of health shall work collaboratively with the commissioners of human
237.10 services and education to implement this section.

237.11 Subd. 2. **Duties.** (a) The Help Me Connect system shall facilitate collaboration across
237.12 sectors, including child health, early learning and education, child welfare, and family
237.13 supports by:

237.14 (1) providing early childhood provider outreach to support knowledge of and access to
237.15 local resources that provide early detection and intervention services;

237.16 (2) identifying and providing access to early childhood and family support navigation
237.17 specialists that can support families and their children's needs; and

237.18 (3) linking children and families to appropriate community-based services.

237.19 (b) The Help Me Connect system shall provide community outreach that includes support
237.20 for, and participation in, the Help Me Connect system, including disseminating information
237.21 on the system and compiling and maintaining a current resource directory that includes but
237.22 is not limited to primary and specialty medical care providers, early childhood education
237.23 and child care programs, developmental disabilities assessment and intervention programs,
237.24 mental health services, family and social support programs, child advocacy and legal services,
237.25 public health services and resources, and other appropriate early childhood information.

237.26 (c) The Help Me Connect system shall maintain a centralized access point for parents
237.27 and professionals to obtain information, resources, and other support services.

237.28 (d) The Help Me Connect system shall collect data to increase understanding of the
237.29 current and ongoing system of support and resources for expectant families and children
237.30 through age eight and their families, including identification of gaps in service, barriers to
237.31 finding and receiving appropriate services, and lack of resources.

238.1 Sec. 72. Minnesota Statutes 2022, section 145A.131, subdivision 1, is amended to read:

238.2 Subdivision 1. **Funding formula for community health boards.** (a) Base funding for
238.3 each community health board eligible for a local public health grant under section 145A.03,
238.4 subdivision 7, shall be determined by each community health board's fiscal year 2003
238.5 allocations, prior to unallotment, for the following grant programs: community health
238.6 services subsidy; state and federal maternal and child health special projects grants; family
238.7 home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and
238.8 available women, infants, and children grant funds in fiscal year 2003, prior to unallotment,
238.9 distributed based on the proportion of WIC participants served in fiscal year 2003 within
238.10 the CHS service area.

238.11 (b) Base funding for a community health board eligible for a local public health grant
238.12 under section 145A.03, subdivision 7, as determined in paragraph (a), shall be adjusted by
238.13 the percentage difference between the base, as calculated in paragraph (a), and the funding
238.14 available for the local public health grant.

238.15 (c) Multicounty or multicity community health boards shall receive a local partnership
238.16 base of up to \$5,000 per year for each county or city in the case of a multicity community
238.17 health board included in the community health board.

238.18 (d) The State Community Health Services Advisory Committee may recommend a
238.19 formula to the commissioner to use in distributing funds to community health boards.

238.20 (e) Notwithstanding any adjustment in paragraph (b), community health boards, all or
238.21 a portion of which are located outside of the counties of Anoka, Chisago, Carver, Dakota,
238.22 Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright, are eligible to receive
238.23 an increase equal to ten percent of the grant award to the community health board under
238.24 paragraph (a) starting July 1, 2015. The increase in calendar year 2015 shall be prorated for
238.25 the last six months of the year. For calendar years beginning on or after January 1, 2016,
238.26 the amount distributed under this paragraph shall be adjusted each year based on available
238.27 funding and the number of eligible community health boards.

238.28 (f) Funding for foundational public health responsibilities must be distributed based on
238.29 a formula determined by the commissioner in consultation with the State Community Health
238.30 Services Advisory Committee. These funds must be used as described in subdivision 5.

239.1 Sec. 73. Minnesota Statutes 2022, section 145A.131, subdivision 2, is amended to read:

239.2 Subd. 2. **Local match.** (a) A community health board that receives a local public health
239.3 grant shall provide at least a 75 percent match for the state funds received through the local
239.4 public health grant described in subdivision 1 and subject to paragraphs (b) to ~~(d)~~ (f).

239.5 (b) Eligible funds must be used to meet match requirements. Eligible funds include funds
239.6 from local property taxes, reimbursements from third parties, fees, other local funds, and
239.7 donations or nonfederal grants that are used for community health services described in
239.8 section 145A.02, subdivision 6.

239.9 (c) When the amount of local matching funds for a community health board is less than
239.10 the amount required under paragraph (a), the local public health grant provided for that
239.11 community health board under this section shall be reduced proportionally.

239.12 (d) A city organized under the provision of sections 145A.03 to 145A.131 that levies a
239.13 tax for provision of community health services is exempt from any county levy for the same
239.14 services to the extent of the levy imposed by the city.

239.15 Sec. 74. Minnesota Statutes 2022, section 145A.131, subdivision 5, is amended to read:

239.16 Subd. 5. **Use of funds.** (a) Community health boards may use the base funding of their
239.17 local public health grant funds as described in subdivision 1, paragraphs (a) to (e), to address
239.18 the areas of public health responsibility and local priorities developed through the community
239.19 health assessment and community health improvement planning process.

239.20 (b) Except as otherwise provided in this paragraph, funding for foundational public
239.21 health responsibilities as described in subdivision 1, paragraph (f), must be used to fulfill
239.22 foundational public health responsibilities as defined by the commissioner in consultation
239.23 with the state community health service advisory committee. If a community health board
239.24 can demonstrate foundational public health responsibilities are fulfilled, the board may use
239.25 funds for local priorities developed through the community health assessment and community
239.26 health improvement planning process.

239.27 Sec. 75. **[145A.135] LOCAL AND TRIBAL PUBLIC HEALTH EMERGENCY**
239.28 **PREPAREDNESS AND RESPONSE GRANT PROGRAM.**

239.29 Subdivision 1. **Establishment.** The commissioner of health must establish a local and
239.30 Tribal public health emergency preparedness and response grant program.

239.31 Subd. 2. **Funding formula; use.** (a) The commissioner must distribute funding for
239.32 emergency preparedness and response activities to community health boards and Tribal

240.1 public health departments based on a formula determined by the commissioner, in
 240.2 consultation with the State Community Health Services Advisory Committee.

240.3 (b) Grant proceeds must align with the Centers for Disease Control and Prevention's
 240.4 issued report: Public Health Emergency Preparedness and Response Capabilities: National
 240.5 Standards for State, Local, Tribal, and Territorial Public Health.

240.6 Subd. 3. **Reporting.** (a) Each grantee must submit a report to the commissioner, in a
 240.7 manner and on a timeline specified by the commissioner, on how the grant funds were spent
 240.8 and the purposes for which they were spent.

240.9 (b) By January 15 of each year, the commissioner must submit a report to the chairs and
 240.10 ranking minority members of the legislative committees with jurisdiction over health policy
 240.11 and finance. The report must include information on how the grant funds were distributed
 240.12 and used at the local and Tribal level.

240.13 Sec. 76. Minnesota Statutes 2022, section 145A.14, is amended by adding a subdivision
 240.14 to read:

240.15 Subd. 2b. **Grants to tribes.** The commissioner must distribute grants to Tribal
 240.16 governments for foundational public health responsibilities as defined by each Tribal
 240.17 government.

240.18 Sec. 77. Minnesota Statutes 2022, section 148.261, subdivision 1, is amended to read:

240.19 Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition
 240.20 the license and registration of any person to practice advanced practice, professional, or
 240.21 practical nursing under sections 148.171 to 148.285, or to otherwise discipline a licensee
 240.22 or applicant as described in section 148.262. The following are grounds for disciplinary
 240.23 action:

240.24 (1) Failure to demonstrate the qualifications or satisfy the requirements for a license
 240.25 contained in sections 148.171 to 148.285 or rules of the board. In the case of a person
 240.26 applying for a license, the burden of proof is upon the applicant to demonstrate the
 240.27 qualifications or satisfaction of the requirements.

240.28 (2) Employing fraud or deceit in procuring or attempting to procure a permit, license,
 240.29 or registration certificate to practice advanced practice, professional, or practical nursing
 240.30 or attempting to subvert the licensing examination process. Conduct that subverts or attempts
 240.31 to subvert the licensing examination process includes, but is not limited to:

241.1 (i) conduct that violates the security of the examination materials, such as removing
241.2 examination materials from the examination room or having unauthorized possession of
241.3 any portion of a future, current, or previously administered licensing examination;

241.4 (ii) conduct that violates the standard of test administration, such as communicating with
241.5 another examinee during administration of the examination, copying another examinee's
241.6 answers, permitting another examinee to copy one's answers, or possessing unauthorized
241.7 materials; or

241.8 (iii) impersonating an examinee or permitting an impersonator to take the examination
241.9 on one's own behalf.

241.10 (3) Conviction of a felony or gross misdemeanor reasonably related to the practice of
241.11 professional, advanced practice registered, or practical nursing. Conviction as used in this
241.12 subdivision includes a conviction of an offense that if committed in this state would be
241.13 considered a felony or gross misdemeanor without regard to its designation elsewhere, or
241.14 a criminal proceeding where a finding or verdict of guilt is made or returned but the
241.15 adjudication of guilt is either withheld or not entered.

241.16 (4) Revocation, suspension, limitation, conditioning, or other disciplinary action against
241.17 the person's professional or practical nursing license or advanced practice registered nursing
241.18 credential, in another state, territory, or country; failure to report to the board that charges
241.19 regarding the person's nursing license or other credential are pending in another state,
241.20 territory, or country; or having been refused a license or other credential by another state,
241.21 territory, or country.

241.22 (5) Failure to or inability to perform professional or practical nursing as defined in section
241.23 148.171, subdivision 14 or 15, with reasonable skill and safety, including failure of a
241.24 registered nurse to supervise or a licensed practical nurse to monitor adequately the
241.25 performance of acts by any person working at the nurse's direction.

241.26 (6) Engaging in unprofessional conduct, including, but not limited to, a departure from
241.27 or failure to conform to board rules of professional or practical nursing practice that interpret
241.28 the statutory definition of professional or practical nursing as well as provide criteria for
241.29 violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and
241.30 prevailing professional or practical nursing practice, or any nursing practice that may create
241.31 unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not
241.32 be established under this clause.

242.1 (7) Failure of an advanced practice registered nurse to practice with reasonable skill and
242.2 safety or departure from or failure to conform to standards of acceptable and prevailing
242.3 advanced practice registered nursing.

242.4 (8) Delegating or accepting the delegation of a nursing function or a prescribed health
242.5 care function when the delegation or acceptance could reasonably be expected to result in
242.6 unsafe or ineffective patient care.

242.7 (9) Actual or potential inability to practice nursing with reasonable skill and safety to
242.8 patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as
242.9 a result of any mental or physical condition.

242.10 (10) Adjudication as mentally incompetent, mentally ill, a chemically dependent person,
242.11 or a person dangerous to the public by a court of competent jurisdiction, within or without
242.12 this state.

242.13 (11) Engaging in any unethical conduct, including, but not limited to, conduct likely to
242.14 deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for
242.15 the health, welfare, or safety of a patient. Actual injury need not be established under this
242.16 clause.

242.17 (12) Engaging in conduct with a patient that is sexual or may reasonably be interpreted
242.18 by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning
242.19 to a patient, or engaging in sexual exploitation of a patient or former patient.

242.20 (13) Obtaining money, property, or services from a patient, other than reasonable fees
242.21 for services provided to the patient, through the use of undue influence, harassment, duress,
242.22 deception, or fraud.

242.23 (14) Revealing a privileged communication from or relating to a patient except when
242.24 otherwise required or permitted by law.

242.25 (15) Engaging in abusive or fraudulent billing practices, including violations of federal
242.26 Medicare and Medicaid laws or state medical assistance laws.

242.27 (16) Improper management of patient records, including failure to maintain adequate
242.28 patient records, to comply with a patient's request made pursuant to sections 144.291 to
242.29 144.298, or to furnish a patient record or report required by law.

242.30 (17) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage
242.31 in the unlawful practice of advanced practice, professional, or practical nursing.

243.1 (18) Violating a rule adopted by the board, an order of the board, or a state or federal
243.2 law relating to the practice of advanced practice, professional, or practical nursing, or a
243.3 state or federal narcotics or controlled substance law.

243.4 (19) Knowingly providing false or misleading information that is directly related to the
243.5 care of that patient unless done for an accepted therapeutic purpose such as the administration
243.6 of a placebo.

243.7 (20) Aiding suicide or aiding attempted suicide in violation of section 609.215 as
243.8 established by any of the following:

243.9 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
243.10 of section 609.215, subdivision 1 or 2;

243.11 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
243.12 issued under section 609.215, subdivision 4;

243.13 (iii) a copy of the record of a judgment assessing damages under section 609.215,
243.14 subdivision 5; or

243.15 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
243.16 The board shall investigate any complaint of a violation of section 609.215, subdivision 1
243.17 or 2.

243.18 (21) Practicing outside the scope of practice authorized by section 148.171, subdivision
243.19 5, 10, 11, 13, 14, 15, or 21.

243.20 (22) Making a false statement or knowingly providing false information to the board,
243.21 failing to make reports as required by section 148.263, or failing to cooperate with an
243.22 investigation of the board as required by section 148.265.

243.23 (23) Engaging in false, fraudulent, deceptive, or misleading advertising.

243.24 (24) Failure to inform the board of the person's certification or recertification status as
243.25 a certified registered nurse anesthetist, certified nurse-midwife, certified nurse practitioner,
243.26 or certified clinical nurse specialist.

243.27 (25) Engaging in clinical nurse specialist practice, nurse-midwife practice, nurse
243.28 practitioner practice, or registered nurse anesthetist practice without a license and current
243.29 certification or recertification by a national nurse certification organization acceptable to
243.30 the board.

243.31 ~~(26) Engaging in conduct that is prohibited under section 145.412.~~

244.1 ~~(27)~~ (26) Failing to report employment to the board as required by section 148.211,
244.2 subdivision 2a, or knowingly aiding, assisting, advising, or allowing a person to fail to report
244.3 as required by section 148.211, subdivision 2a.

244.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

244.5 Sec. 78. Minnesota Statutes 2022, section 256B.692, subdivision 2, is amended to read:

244.6 Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N,
244.7 a county that elects to purchase medical assistance in return for a fixed sum without regard
244.8 to the frequency or extent of services furnished to any particular enrollee is not required to
244.9 obtain a certificate of authority under chapter 62D or 62N. The county board of
244.10 commissioners is the governing body of a county-based purchasing program. In a multicounty
244.11 arrangement, the governing body is a joint powers board established under section 471.59.

244.12 (b) A county that elects to purchase medical assistance services under this section must
244.13 satisfy the commissioner of health that the requirements for assurance of consumer protection,
244.14 provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance
244.15 organizations will be met according to the following schedule:

244.16 (1) for a county-based purchasing plan approved on or before June 30, 2008, the plan
244.17 must have in reserve:

244.18 (i) at least 50 percent of the minimum amount required under chapter 62D as of January
244.19 1, 2010;

244.20 (ii) at least 75 percent of the minimum amount required under chapter 62D as of January
244.21 1, 2011;

244.22 (iii) at least 87.5 percent of the minimum amount required under chapter 62D as of
244.23 January 1, 2012; and

244.24 (iv) at least 100 percent of the minimum amount required under chapter 62D as of January
244.25 1, 2013; and

244.26 (2) for a county-based purchasing plan first approved after June 30, 2008, the plan must
244.27 have in reserve:

244.28 (i) at least 50 percent of the minimum amount required under chapter 62D at the time
244.29 the plan begins enrolling enrollees;

244.30 (ii) at least 75 percent of the minimum amount required under chapter 62D after the first
244.31 full calendar year;

245.1 (iii) at least 87.5 percent of the minimum amount required under chapter 62D after the
245.2 second full calendar year; and

245.3 (iv) at least 100 percent of the minimum amount required under chapter 62D after the
245.4 third full calendar year.

245.5 (c) Until a plan is required to have reserves equaling at least 100 percent of the minimum
245.6 amount required under chapter 62D, the plan may demonstrate its ability to cover any losses
245.7 by satisfying the requirements of chapter 62N. A county-based purchasing plan must also
245.8 assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71
245.9 to 62J.73; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055;
245.10 62Q.106; 62Q.12; 62Q.135; 62Q.14; ~~62Q.145~~; 62Q.19; 62Q.23, paragraph (c); 62Q.43;
245.11 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

245.12 (d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62N,
245.13 and 62Q are hereby granted to the commissioner of health with respect to counties that
245.14 purchase medical assistance services under this section.

245.15 (e) The commissioner, in consultation with county government, shall develop
245.16 administrative and financial reporting requirements for county-based purchasing programs
245.17 relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31,
245.18 and other sections as necessary, that are specific to county administrative, accounting, and
245.19 reporting systems and consistent with other statutory requirements of counties.

245.20 (f) The commissioner shall collect from a county-based purchasing plan under this
245.21 section the following fees:

245.22 (1) fees attributable to the costs of audits and other examinations of plan financial
245.23 operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800,
245.24 subpart 1, item F; and

245.25 (2) an annual fee of \$21,500, to be paid by June 15 of each calendar year.

245.26 All fees collected under this paragraph shall be deposited in the state government special
245.27 revenue fund.

245.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

245.29 Sec. 79. Minnesota Statutes 2022, section 259.83, subdivision 1, is amended to read:

245.30 Subdivision 1. **Services provided.** (a) Agencies shall provide assistance and counseling
245.31 services upon receiving a request for current information from adoptive parents, birth parents,
245.32 or adopted persons aged ~~19~~ 18 years of age and ~~over~~ older. The agency shall contact the

246.1 other adult persons or the adoptive parents of a minor child in a personal and confidential
246.2 manner to determine whether there is a desire to receive or share information or to have
246.3 contact. If there is such a desire, the agency shall provide the services requested. The agency
246.4 shall provide services to adult genetic siblings if there is no known violation of the
246.5 confidentiality of a birth parent or if the birth parent gives written consent.

246.6 (b) Upon a request for assistance or services from an adoptive parent of a minor child,
246.7 birth parent, or an adopted person 18 years of age or older, the agency must inform the
246.8 person:

246.9 (1) about the right of an adopted person to request and obtain a copy of the adopted
246.10 person's original birth record at the age and circumstances specified in section 144.2253;
246.11 and

246.12 (2) about the right of the birth parent named on the adopted person's original birth record
246.13 to file a contact preference form with the state registrar pursuant to section 144.2253.

246.14 In adoptive placements, the agency must provide in writing to the birth parents listed on
246.15 the original birth record the information required under this section.

246.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

246.17 Sec. 80. Minnesota Statutes 2022, section 259.83, subdivision 1a, is amended to read:

246.18 Subd. 1a. **Social and medical history.** (a) If a person aged ~~19~~ 18 years of age and over
246.19 older who was adopted on or after August 1, 1994, or the adoptive parent requests the
246.20 detailed nonidentifying social and medical history of the adopted person's birth family that
246.21 was provided at the time of the adoption, agencies must provide the information to the
246.22 adopted person or adoptive parent on the applicable form required under sections 259.43
246.23 and 260C.212, subdivision 15.

246.24 (b) If an adopted person aged ~~19~~ 18 years of age and over older or the adoptive parent
246.25 requests the agency to contact the adopted person's birth parents to request current
246.26 nonidentifying social and medical history of the adopted person's birth family, agencies
246.27 must use the applicable form required under sections 259.43 and 260C.212, subdivision 15,
246.28 when obtaining the information for the adopted person or adoptive parent.

246.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

247.1 Sec. 81. Minnesota Statutes 2022, section 259.83, subdivision 1b, is amended to read:

247.2 Subd. 1b. **Genetic siblings.** (a) A person who is at least ~~19~~ 18 years ~~old~~ of age who was
247.3 adopted or, because of a termination of parental rights, was committed to the guardianship
247.4 of the commissioner of human services, whether adopted or not, must upon request be
247.5 advised of other siblings who were adopted or who were committed to the guardianship of
247.6 the commissioner of human services and not adopted.

247.7 (b) Assistance must be provided by the county or placing agency of the person requesting
247.8 information to the extent that information is available in the existing records at the
247.9 Department of Human Services. If the sibling received services from another agency, the
247.10 agencies must share necessary information in order to locate the other siblings and to offer
247.11 services, as requested. Upon the determination that parental rights with respect to another
247.12 sibling were terminated, identifying information and contact must be provided only upon
247.13 mutual consent. A reasonable fee may be imposed by the county or placing agency.

247.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

247.15 Sec. 82. Minnesota Statutes 2022, section 259.83, is amended by adding a subdivision to
247.16 read:

247.17 Subd. 3a. **Birth parent identifying information.** (a) This subdivision applies to adoptive
247.18 placements where an adopted person does not have a record of live birth registered in this
247.19 state. Upon written request by an adopted person 18 years of age or older, the agency
247.20 responsible for or supervising the placement must provide to the requester the following
247.21 identifying information related to the birth parents listed on that adopted person's original
247.22 birth record:

247.23 (1) each of the birth parent's names; and

247.24 (2) each of the birth parent's birthdate and birthplace.

247.25 (b) The agency may charge a reasonable fee to the requester for providing the required
247.26 information under paragraph (a).

247.27 (c) The agency, acting in good faith and in a lawful manner in disclosing the identifying
247.28 information under this subdivision, is not civilly liable for such disclosure.

247.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

248.1 Sec. 83. Minnesota Statutes 2022, section 260C.317, subdivision 4, is amended to read:

248.2 Subd. 4. **Rights of terminated parent.** (a) Upon entry of an order terminating the
248.3 parental rights of any person who is identified as a parent on the original birth record of the
248.4 child as to whom the parental rights are terminated, the court shall cause written notice to
248.5 be made to that person setting forth:

248.6 ~~(1) the right of the person to file at any time with the state registrar of vital records a~~
248.7 ~~consent to disclosure, as defined in section 144.212, subdivision 11;~~

248.8 ~~(2) the right of the person to file at any time with the state registrar of vital records an~~
248.9 ~~affidavit stating that the information on the original birth record shall not be disclosed as~~
248.10 ~~provided in section 144.2252; and a contact preference form under section 144.2253.~~

248.11 ~~(3) the effect of a failure to file either a consent to disclosure, as defined in section~~
248.12 ~~144.212, subdivision 11, or an affidavit stating that the information on the original birth~~
248.13 ~~record shall not be disclosed.~~

248.14 (b) A parent whose rights are terminated under this section shall retain the ability to
248.15 enter into a contact or communication agreement under section 260C.619 if an agreement
248.16 is determined by the court to be in the best interests of the child. The agreement shall be
248.17 filed with the court at or prior to the time the child is adopted. An order for termination of
248.18 parental rights shall not be conditioned on an agreement under section 260C.619.

248.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

248.20 Sec. 84. Minnesota Statutes 2022, section 403.161, subdivision 1, is amended to read:

248.21 Subdivision 1. **Fees imposed.** (a) A prepaid wireless E911 fee of 80 cents per retail
248.22 transaction is imposed on prepaid wireless telecommunications service until the fee is
248.23 adjusted as an amount per retail transaction under subdivision 7.

248.24 (b) A prepaid wireless telecommunications access Minnesota fee, in the amount of the
248.25 monthly charge provided for in section 237.52, subdivision 2, is imposed on each retail
248.26 transaction for prepaid wireless telecommunications service until the fee is adjusted as an
248.27 amount per retail transaction under subdivision 7.

248.28 (c) A prepaid wireless 988 fee, in the amount of the monthly charge provided for in
248.29 section 145.561, subdivision 4, paragraph (b), is imposed on each retail transaction for
248.30 prepaid wireless telecommunications service until the fee is adjusted as an amount per retail
248.31 transaction under subdivision 7.

249.1 Sec. 85. Minnesota Statutes 2022, section 403.161, subdivision 3, is amended to read:

249.2 Subd. 3. **Fee collected.** The prepaid wireless E911 ~~and~~² telecommunications access
249.3 Minnesota, and 988 fees must be collected by the seller from the consumer for each retail
249.4 transaction occurring in this state. The amount of each fee must be combined into one
249.5 amount, which must be separately stated on an invoice, receipt, or other similar document
249.6 that is provided to the consumer by the seller.

249.7 Sec. 86. Minnesota Statutes 2022, section 403.161, subdivision 5, is amended to read:

249.8 Subd. 5. **Remittance.** The prepaid wireless E911 ~~and~~² telecommunications access
249.9 Minnesota, and 988 fees are the liability of the consumer and not of the seller or of any
249.10 provider, except that the seller is liable to remit all fees as provided in section 403.162.

249.11 Sec. 87. Minnesota Statutes 2022, section 403.161, subdivision 6, is amended to read:

249.12 Subd. 6. **Exclusion for calculating other charges.** The combined amount of the prepaid
249.13 wireless E911 ~~and~~² telecommunications access Minnesota, and 988 fees collected by a seller
249.14 from a consumer must not be included in the base for measuring any tax, fee, surcharge, or
249.15 other charge that is imposed by this state, any political subdivision of this state, or any
249.16 intergovernmental agency.

249.17 Sec. 88. Minnesota Statutes 2022, section 403.161, subdivision 7, is amended to read:

249.18 Subd. 7. **Fee changes.** (a) The prepaid wireless E911 ~~and~~² telecommunications access
249.19 Minnesota fee, and 988 fees must be proportionately increased or reduced upon any change
249.20 to the fee imposed under section 403.11, subdivision 1, paragraph (c), after July 1, 2013,
249.21 ~~or~~ the fee imposed under section 237.52, subdivision 2, or the fee imposed under section
249.22 145.561, subdivision 4, as applicable.

249.23 (b) The department shall post notice of any fee changes on its website at least 30 days
249.24 in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor
249.25 the department's website for notice of fee changes.

249.26 (c) Fee changes are effective 60 days after the first day of the first calendar month after
249.27 the commissioner of public safety or the Public Utilities Commission, as applicable, changes
249.28 the fee.

250.1 Sec. 89. Minnesota Statutes 2022, section 403.162, subdivision 1, is amended to read:

250.2 Subdivision 1. **Remittance.** Prepaid wireless E911 ~~and~~ telecommunications access
 250.3 Minnesota, and 988 fees collected by sellers must be remitted to the commissioner of revenue
 250.4 at the times and in the manner provided by chapter 297A with respect to the general sales
 250.5 and use tax. The commissioner of revenue shall establish registration and payment procedures
 250.6 that substantially coincide with the registration and payment procedures that apply in chapter
 250.7 297A.

250.8 Sec. 90. Minnesota Statutes 2022, section 403.162, subdivision 2, is amended to read:

250.9 Subd. 2. **Seller's fee retention.** A seller may deduct and retain three percent of prepaid
 250.10 wireless E911 ~~and~~ telecommunications access Minnesota, and 988 fees collected by the
 250.11 seller from consumers.

250.12 Sec. 91. Minnesota Statutes 2022, section 403.162, subdivision 5, is amended to read:

250.13 Subd. 5. **Fees deposited.** (a) The commissioner of revenue shall, based on the relative
 250.14 proportion of the prepaid wireless E911 fee ~~and~~ the prepaid wireless telecommunications
 250.15 access Minnesota fee, and the prepaid wireless 988 fee imposed per retail transaction, divide
 250.16 the fees collected in corresponding proportions. Within 30 days of receipt of the collected
 250.17 fees, the commissioner shall:

250.18 (1) deposit the proportion of the collected fees attributable to the prepaid wireless E911
 250.19 fee in the 911 emergency telecommunications service account in the special revenue fund;
 250.20 ~~and~~

250.21 (2) deposit the proportion of collected fees attributable to the prepaid wireless
 250.22 telecommunications access Minnesota fee in the telecommunications access fund established
 250.23 in section 237.52, subdivision 1; and

250.24 (3) deposit the proportion of the collected fees attributable to the prepaid wireless 988
 250.25 fee in the 988 special revenue account established in section 145.561, subdivision 3.

250.26 (b) The commissioner of revenue may deduct and deposit in a special revenue account
 250.27 an amount not to exceed two percent of collected fees. Money in the account is annually
 250.28 appropriated to the commissioner of revenue to reimburse its direct costs of administering
 250.29 the collection and remittance of prepaid wireless E911 fees ~~and~~ prepaid wireless
 250.30 telecommunications access Minnesota fees, and prepaid wireless 988 fees.

251.1 Sec. 92. Minnesota Statutes 2022, section 518A.39, subdivision 2, is amended to read:

251.2 Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support
251.3 may be modified upon a showing of one or more of the following, any of which makes the
251.4 terms unreasonable and unfair: (1) substantially increased or decreased gross income of an
251.5 obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or
251.6 the child or children that are the subject of these proceedings; (3) receipt of assistance under
251.7 the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to ~~256B.40~~
251.8 256B.39, or chapter 256J or 256K; (4) a change in the cost of living for either party as
251.9 measured by the federal Bureau of Labor Statistics; (5) extraordinary medical expenses of
251.10 the child not provided for under section 518A.41; (6) a change in the availability of
251.11 appropriate health care coverage or a substantial increase or decrease in health care coverage
251.12 costs; (7) the addition of work-related or education-related child care expenses of the obligee
251.13 or a substantial increase or decrease in existing work-related or education-related child care
251.14 expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

251.15 (b) It is presumed that there has been a substantial change in circumstances under
251.16 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be
251.17 unreasonable and unfair if:

251.18 (1) the application of the child support guidelines in section 518A.35, to the current
251.19 circumstances of the parties results in a calculated court order that is at least 20 percent and
251.20 at least \$75 per month higher or lower than the current support order or, if the current support
251.21 order is less than \$75, it results in a calculated court order that is at least 20 percent per
251.22 month higher or lower;

251.23 (2) the medical support provisions of the order established under section 518A.41 are
251.24 not enforceable by the public authority or the obligee;

251.25 (3) health coverage ordered under section 518A.41 is not available to the child for whom
251.26 the order is established by the parent ordered to provide;

251.27 (4) the existing support obligation is in the form of a statement of percentage and not a
251.28 specific dollar amount;

251.29 (5) the gross income of an obligor or obligee has decreased by at least 20 percent through
251.30 no fault or choice of the party; or

251.31 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause
251.32 (4), and the child no longer resides in a foreign country or the factor is otherwise no longer
251.33 applicable.

252.1 (c) A child support order is not presumptively modifiable solely because an obligor or
252.2 obligee becomes responsible for the support of an additional nonjoint child, which is born
252.3 after an existing order. Section 518A.33 shall be considered if other grounds are alleged
252.4 which allow a modification of support.

252.5 (d) If child support was established by applying a parenting expense adjustment or
252.6 presumed equal parenting time calculation under previously existing child support guidelines
252.7 and there is no parenting plan or order from which overnights or overnight equivalents can
252.8 be determined, there is a rebuttable presumption that the established adjustment or calculation
252.9 will continue after modification so long as the modification is not based on a change in
252.10 parenting time. In determining an obligation under previously existing child support
252.11 guidelines, it is presumed that the court shall:

252.12 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's
252.13 share of the combined basic support obligation calculated under section 518A.34, paragraph
252.14 (b), clause (5), by 0.88; or

252.15 (2) if the parenting time was presumed equal but the parents' parental incomes for
252.16 determining child support were not equal:

252.17 (i) multiply the combined basic support obligation under section 518A.34, paragraph
252.18 (b), clause (5), by 0.75;

252.19 (ii) prorate the amount under item (i) between the parents based on each parent's
252.20 proportionate share of the combined PICS; and

252.21 (iii) subtract the lower amount from the higher amount.

252.22 (e) On a motion for modification of maintenance, including a motion for the extension
252.23 of the duration of a maintenance award, the court shall apply, in addition to all other relevant
252.24 factors, the factors for an award of maintenance under section 518.552 that exist at the time
252.25 of the motion. On a motion for modification of support, the court:

252.26 (1) shall apply section 518A.35, and shall not consider the financial circumstances of
252.27 each party's spouse, if any; and

252.28 (2) shall not consider compensation received by a party for employment in excess of a
252.29 40-hour work week, provided that the party demonstrates, and the court finds, that:

252.30 (i) the excess employment began after entry of the existing support order;

252.31 (ii) the excess employment is voluntary and not a condition of employment;

253.1 (iii) the excess employment is in the nature of additional, part-time employment, or
253.2 overtime employment compensable by the hour or fractions of an hour;

253.3 (iv) the party's compensation structure has not been changed for the purpose of affecting
253.4 a support or maintenance obligation;

253.5 (v) in the case of an obligor, current child support payments are at least equal to the
253.6 guidelines amount based on income not excluded under this clause; and

253.7 (vi) in the case of an obligor who is in arrears in child support payments to the obligee,
253.8 any net income from excess employment must be used to pay the arrearages until the
253.9 arrearages are paid in full.

253.10 (f) A modification of support or maintenance, including interest that accrued pursuant
253.11 to section 548.091, may be made retroactive only with respect to any period during which
253.12 the petitioning party has pending a motion for modification but only from the date of service
253.13 of notice of the motion on the responding party and on the public authority if public assistance
253.14 is being furnished or the county attorney is the attorney of record, unless the court adopts
253.15 an alternative effective date under paragraph (l). The court's adoption of an alternative
253.16 effective date under paragraph (l) shall not be considered a retroactive modification of
253.17 maintenance or support.

253.18 (g) Except for an award of the right of occupancy of the homestead, provided in section
253.19 518.63, all divisions of real and personal property provided by section 518.58 shall be final,
253.20 and may be revoked or modified only where the court finds the existence of conditions that
253.21 justify reopening a judgment under the laws of this state, including motions under section
253.22 518.145, subdivision 2. The court may impose a lien or charge on the divided property at
253.23 any time while the property, or subsequently acquired property, is owned by the parties or
253.24 either of them, for the payment of maintenance or support money, or may sequester the
253.25 property as is provided by section 518A.71.

253.26 (h) The court need not hold an evidentiary hearing on a motion for modification of
253.27 maintenance or support.

253.28 (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions
253.29 brought under this subdivision.

253.30 (j) An enactment, amendment, or repeal of law constitutes a substantial change in the
253.31 circumstances for purposes of modifying a child support order when it meets the standards
253.32 for modification in this section.

254.1 (k) On the first modification following implementation of amended child support
254.2 guidelines, the modification of basic support may be limited if the amount of the full variance
254.3 would create hardship for either the obligor or the obligee. Hardship includes, but is not
254.4 limited to, eligibility for assistance under chapter 256J.

254.5 (l) The court may select an alternative effective date for a maintenance or support order
254.6 if the parties enter into a binding agreement for an alternative effective date.

254.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

254.8 Sec. 93. Laws 2017, First Special Session chapter 6, article 5, section 11, as amended by
254.9 Laws 2019, First Special Session chapter 9, article 8, section 20, is amended to read:

254.10 Sec. 11. **MORATORIUM ON CONVERSION TRANSACTIONS.**

254.11 (a) Notwithstanding Laws 2017, chapter 2, article 2, a nonprofit health service plan
254.12 corporation operating under Minnesota Statutes, chapter 62C, or a nonprofit health
254.13 maintenance organization operating under Minnesota Statutes, chapter 62D, as of January
254.14 1, 2017, may only merge or consolidate with; convert; or transfer, as part of a single
254.15 transaction or a series of transactions within a 24-month period, all or a material amount of
254.16 its assets to an entity that is a corporation organized under Minnesota Statutes, chapter
254.17 317A; or to a Minnesota nonprofit hospital within the same integrated health system as the
254.18 health maintenance organization. For purposes of this section, "material amount" means
254.19 the lesser of ten percent of such an entity's total admitted net assets as of December 31 of
254.20 the previous year, or \$50,000,000.

254.21 (b) Paragraph (a) does not apply if the nonprofit service plan corporation or nonprofit
254.22 health maintenance organization files an intent to dissolve due to insolvency of the
254.23 corporation in accordance with Minnesota Statutes, chapter 317A, or insolvency proceedings
254.24 are commenced under Minnesota Statutes, chapter 60B.

254.25 (c) Nothing in this section shall be construed to authorize a nonprofit health maintenance
254.26 organization or a nonprofit service plan corporation to engage in any transaction or activities
254.27 not otherwise permitted under state law.

254.28 (d) This section expires July 1, ~~2023~~ 2026.

254.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

255.1 Sec. 94. Laws 2022, chapter 99, article 1, section 46, is amended to read:

255.2 Sec. 46. **MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.**

255.3 Subdivision 1. **Grants authorized.** (a) The commissioner of health shall develop a grant
255.4 program to award grants to health care entities, including but not limited to health care
255.5 systems, hospitals, nursing facilities, community health clinics or consortium of clinics,
255.6 federally qualified health centers, rural health clinics, or health professional associations
255.7 for the purpose of establishing or expanding programs focused on improving the mental
255.8 health of health care professionals.

255.9 (b) Grants shall be awarded for programs that are evidenced-based or evidenced-informed
255.10 and are focused on addressing the mental health of health care professionals by:

255.11 (1) identifying and addressing the barriers to and stigma among health care professionals
255.12 associated with seeking self-care, including mental health and substance use disorder services;

255.13 (2) encouraging health care professionals to seek support and care for mental health and
255.14 substance use disorder concerns;

255.15 (3) identifying risk factors associated with suicide and other mental health conditions;

255.16 ~~or~~

255.17 (4) developing and making available resources to support health care professionals with
255.18 self-care and resiliency; or

255.19 (5) identifying and modifying structural barriers in health care delivery that create
255.20 unnecessary stress in the workplace.

255.21 Subd. 2. **Allocation of grants.** (a) To receive a grant, a health care entity must submit
255.22 an application to the commissioner by the deadline established by the commissioner. An
255.23 application must be on a form and contain information as specified by the commissioner
255.24 and at a minimum must contain:

255.25 (1) a description of the purpose of the program for which the grant funds will be used;

255.26 (2) a description of the achievable objectives of the program and how these objectives
255.27 will be met; and

255.28 (3) a process for documenting and evaluating the results of the program.

255.29 (b) The commissioner shall give priority to programs that involve peer-to-peer support.

255.30 Subd. 2a. **Grant term.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision
255.31 6, encumbrances for grants under this section issued by June 30 of each year may be certified

256.1 for a period of up to three years beyond the year in which the funds were originally
 256.2 appropriated.

256.3 Subd. 3. **Evaluation.** The commissioner shall evaluate the overall effectiveness of the
 256.4 grant program by conducting a periodic evaluation of the impact and outcomes of the grant
 256.5 program on health care professional burnout and retention. The commissioner shall submit
 256.6 the results of the evaluation and any recommendations for improving the grant program to
 256.7 the chairs and ranking minority members of the legislative committees with jurisdiction
 256.8 over health care policy and finance by October 15, 2024.

256.9 Sec. 95. Laws 2022, chapter 99, article 3, section 9, is amended to read:

256.10 Sec. 9. **APPROPRIATION; MENTAL HEALTH GRANTS FOR HEALTH CARE**
 256.11 **PROFESSIONALS.**

256.12 \$1,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
 256.13 of health for the health care professionals mental health grant program. This is a onetime
 256.14 appropriation and is available until June 30, 2027.

256.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

256.16 Sec. 96. **[144.9981] CLIMATE RESILIENCY.**

256.17 The commissioner of health shall implement a climate resiliency program to:

256.18 (1) increase awareness of climate change;

256.19 (2) track the public health impacts of climate change and extreme weather events;

256.20 (3) provide technical assistance and tools that support climate resiliency to local public
 256.21 health departments, Tribal health departments, soil and water conservation districts, and
 256.22 other local governmental and nongovernmental organizations; and

256.23 (4) coordinate with the commissioners of the pollution control agency, natural resources,
 256.24 and agriculture and other state agencies in climate resiliency related planning and
 256.25 implementation.

256.26 Sec. 97. **CRITICAL ACCESS DENTAL INFRASTRUCTURE PROGRAM.**

256.27 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
 256.28 the meanings given.

256.29 (b) "Commissioner" means the commissioner of health.

257.1 (c) "Critical access dental provider" means a critical access dental provider as defined
257.2 in Minnesota Statutes, section 256B.76, subdivision 4.

257.3 (d) "Dental infrastructure" means:

257.4 (1) physical infrastructure of a dental setting, including but not limited to the operations
257.5 and clinical spaces in a dental clinic; associated heating, ventilation, and air conditioning
257.6 infrastructure and other mechanical infrastructure; and dental equipment needed to operate
257.7 a dental clinic; or

257.8 (2) mobile dental equipment or other equipment needed to provide dental services via
257.9 a hub-and-spoke service delivery model or via teledentistry.

257.10 Subd. 2. **Grant and loan program established.** The commissioner shall make grants
257.11 and forgivable loans to critical access dental providers for eligible dental infrastructure
257.12 projects.

257.13 Subd. 3. **Eligible projects.** In order to be eligible for a grant or forgivable loan under
257.14 this section, a dental infrastructure project must be proposed by a critical access dental
257.15 provider and must allow the provider to maintain or expand the provider's capacity to serve
257.16 Minnesota health care program enrollees.

257.17 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
257.18 soliciting and reviewing applications for grants and forgivable loans under this section and
257.19 for awarding grants and forgivable loans. Critical access dental providers seeking a grant
257.20 or forgivable loan under this section must apply to the commissioner in a time and manner
257.21 specified by the commissioner. In evaluating applications for grants or forgivable loans for
257.22 eligible projects, the commissioner must review applications for completeness and must
257.23 determine the extent to which the project would increase access to dental care for medical
257.24 assistance and MinnesotaCare enrollees. For purposes of this section, "increasing dental
257.25 care" means expanding the number of medical assistance and MinnesotaCare enrollees
257.26 served by the provider and modernizing the facilities or equipment in a manner necessary
257.27 to meet professional standards of care, to expand access, and improve oral health outcomes.

257.28 (b) The commissioner must award grants and forgivable loans based on the information
257.29 provided in the grant application and other information available to the commissioner.

257.30 Subd. 5. **Program oversight.** The commissioner may require and collect from grant and
257.31 loan recipients any information needed to evaluate the program.

258.1 Sec. 98. MEMBERSHIP TERMS; PALLIATIVE CARE ADVISORY COUNCIL.

258.2 Notwithstanding the terms of office specified to the members upon their appointment,
258.3 the terms for members appointed to the Palliative Care Advisory Council under Minnesota
258.4 Statutes, section 144.059, on or after February 1, 2022, shall be three years, as provided in
258.5 Minnesota Statutes, section 144.059, subdivision 3.

258.6 Sec. 99. PSYCHEDELIC MEDICINE TASK FORCE.

258.7 Subdivision 1. Establishment; purpose. The Psychedelic Medicine Task Force is
258.8 established to advise the legislature on the legal, medical, and policy issues associated with
258.9 the legalization of psychedelic medicine in the state. For purposes of this section,
258.10 "psychedelic medicine" means 3,4-methylenedioxymethamphetamine (MDMA), psilocybin,
258.11 and LSD.

258.12 Subd. 2. Membership; compensation. (a) The Psychedelic Medicine Task Force shall
258.13 consist of:

258.14 (1) the governor or a designee;

258.15 (2) two members of the house of representatives, one appointed by the speaker of the
258.16 house and one appointed by the minority leader of the house of representatives, and two
258.17 members of the senate, one appointed by the senate majority leader and one appointed by
258.18 the senate minority leader;

258.19 (3) the commissioner of health or a designee;

258.20 (4) the commissioner of public safety or a designee;

258.21 (5) the commissioner of human services or a designee;

258.22 (6) the attorney general or a designee;

258.23 (7) the executive director of the Board of Pharmacy or a designee;

258.24 (8) the commissioner of commerce or a designee; and

258.25 (9) members of the public, appointed by the governor, who have relevant knowledge
258.26 and expertise, including:

258.27 (i) two members representing Indian Tribes within the boundaries of Minnesota, one
258.28 representing the Ojibwe Tribes and one representing the Dakota Tribes;

258.29 (ii) one member with expertise in the treatment of substance use disorders;

258.30 (iii) one member with experience working in public health policy;

259.1 (iv) two veterans with treatment-resistant mental health conditions;

259.2 (v) two patients with treatment-resistant mental health conditions;

259.3 (vi) one psychiatrist with experience treating treatment-resistant mental health conditions,
259.4 including post-traumatic stress disorder;

259.5 (vii) one health care practitioner with experience in integrative medicine;

259.6 (viii) one psychologist with experience treating treatment-resistant mental health
259.7 conditions, including post-traumatic stress disorder; and

259.8 (ix) one member with demonstrable experience in the medical use of psychedelic
259.9 medicine.

259.10 (b) Members listed in paragraph (a), clauses (1) and (3) to (8), and members appointed
259.11 under paragraph (a), clause (9), may be reimbursed for expenses under Minnesota Statutes,
259.12 section 15.059, subdivision 6. Members appointed under paragraph (a), clause (2), may
259.13 receive per diem compensation from their respective bodies according to the rules of their
259.14 respective bodies.

259.15 (c) Members shall be designated or appointed to the task force by July 15, 2023.

259.16 Subd. 3. **Organization.** (a) The commissioner of health or the commissioner's designee
259.17 shall convene the first meeting of the task force.

259.18 (b) At the first meeting, the members of the task force shall elect a chairperson and other
259.19 officers as the members deem necessary.

259.20 (c) The first meeting of the task force shall occur by August 1, 2023. The task force shall
259.21 meet monthly or as determined by the chairperson.

259.22 Subd. 4. **Staff.** The commissioner of health shall provide support staff, office and meeting
259.23 space, and administrative services for the task force.

259.24 Subd. 5. **Duties.** The task force shall:

259.25 (1) survey existing studies in the scientific literature on the therapeutic efficacy of
259.26 psychedelic medicine in the treatment of mental health conditions, including depression,
259.27 anxiety, post-traumatic stress disorder, bipolar disorder, and any other mental health
259.28 conditions and medical conditions for which a psychedelic medicine may provide an effective
259.29 treatment option;

259.30 (2) compare the efficacy of psychedelic medicine in treating the conditions described
259.31 in clause (1) with the efficacy of treatments currently used for these conditions; and

260.1 (3) develop a comprehensive plan that covers:

260.2 (i) statutory changes necessary for the legalization of psychedelic medicine;

260.3 (ii) state and local regulation of psychedelic medicine;

260.4 (iii) federal law, policy, and regulation of psychedelic medicine, with a focus on retaining

260.5 state autonomy to act without conflicting with federal law, including methods to resolve

260.6 conflicts such as seeking an administrative exemption to the federal Controlled Substances

260.7 Act under United States Code, title 21, section 822(d), and Code of Federal Regulations,

260.8 title 21, part 1307.03; seeking a judicially created exemption to the federal Controlled

260.9 Substances Act; petitioning the United States Attorney General to establish a research

260.10 program under United States Code, title 21, section 872(e); using the Food and Drug

260.11 Administration's expanded access program; and using authority under the federal Right to

260.12 Try Act; and

260.13 (iv) education of the public on recommendations made to the legislature and others about

260.14 necessary and appropriate actions related to the legalization of psychedelic medicine in the

260.15 state.

260.16 Subd. 6. **Reports.** The task force shall submit two reports to the chairs and ranking

260.17 minority members of the legislative committees with jurisdiction over health and human

260.18 services that detail the task force's findings regarding the legalization of psychedelic medicine

260.19 in the state, including the comprehensive plan developed under subdivision 5. The first

260.20 report must be submitted by February 1, 2024, and the second report must be submitted by

260.21 January 1, 2025.

260.22 Sec. 100. **STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR**

260.23 **PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.**

260.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

260.25 the meanings given.

260.26 (b) "Commissioner" means the commissioner of health.

260.27 (c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug,

260.28 medical device, or medical intervention that maintains life by sustaining, restoring, or

260.29 supplanting a vital function. Life-sustaining treatment does not include routine care necessary

260.30 to sustain patient cleanliness and comfort.

260.31 (d) "POLST" means a provider order for life-sustaining treatment, signed by a physician,

260.32 advanced practice registered nurse, or physician assistant, to ensure that the medical treatment

261.1 preferences of a patient with an advanced serious illness who is nearing the end of life are
261.2 honored.

261.3 (e) "POLST form" means a portable medical form used to communicate a physician's,
261.4 advanced practice registered nurse's, or physician assistant's order to help ensure that a
261.5 patient's medical treatment preferences are conveyed to emergency medical service personnel
261.6 and other health care providers.

261.7 Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory
261.8 committee established in paragraph (c), shall develop recommendations for a statewide
261.9 registry of POLST forms to ensure that a patient's medical treatment preferences are followed
261.10 by all health care providers. The registry must allow for the submission of completed POLST
261.11 forms and for the forms to be accessed by health care providers and emergency medical
261.12 service personnel in a timely manner for the provision of care or services.

261.13 (b) The commissioner shall develop recommendations on the following:

261.14 (1) electronic capture, storage, and security of information in the registry;

261.15 (2) procedures to protect the accuracy and confidentiality of information submitted to
261.16 the registry;

261.17 (3) limits as to who can access the registry;

261.18 (4) where the registry should be housed;

261.19 (5) ongoing funding models for the registry; and

261.20 (6) any other action needed to ensure that patients' rights are protected and that their
261.21 health care decisions are followed.

261.22 (c) The commissioner shall create an advisory committee with members representing
261.23 physicians, physician assistants, advanced practice registered nurses, registered nurses,
261.24 nursing homes, emergency medical system providers, hospice and palliative care providers,
261.25 the disability community, attorneys, medical ethicists, and the religious community.

261.26 Subd. 3. **Report.** The commissioner shall submit recommendations on establishing a
261.27 statewide registry of POLST forms to the chairs and ranking minority members of the
261.28 legislative committees with jurisdiction over health and human services policy and finance
261.29 by February 1, 2024.

262.1 Sec. 101. **DIRECTION TO THE COMMISSIONER; ALZHEIMER'S PUBLIC**
262.2 **INFORMATION PROGRAM.**

262.3 (a) The commissioner of health shall design and make publicly available materials for
262.4 a statewide public information program that:

262.5 (1) promotes the benefits of early detection and the importance of discussing cognition
262.6 with a health care provider;

262.7 (2) outlines the benefits of cognitive testing, the early warning signs of cognitive
262.8 impairment, and the difference between normal cognitive aging and dementia; and

262.9 (3) provides awareness of Alzheimer's disease and other dementias.

262.10 (b) The commissioner shall include in the program materials messages directed at the
262.11 general population, as well as messages designed to reach underserved communities including
262.12 but not limited to rural populations, Native and Indigenous communities, and communities
262.13 of color. The program materials shall include culturally specific messages developed in
262.14 consultation with leaders of targeted cultural communities who have experience with
262.15 Alzheimer's disease and other dementias. The commissioner shall develop the materials for
262.16 the program by June 30, 2024, and make them available online to local and county public
262.17 health agencies and other interested parties.

262.18 (c) To the extent funds remain available for this purpose, the commissioner shall
262.19 implement an initial statewide public information campaign using the developed program
262.20 materials. The campaign must include culturally specific messages and the development of
262.21 a community digital public forum. These messages may be disseminated by television and
262.22 radio public service announcements, social media and digital advertising, print materials,
262.23 or other means.

262.24 (d) The commissioner may contract with one or more third parties to initially implement
262.25 some or all of the public information campaign, provided the contracted third party has
262.26 prior experience promoting Alzheimer's awareness and the contract is awarded through a
262.27 competitive process. The public information campaign must be implemented by July 1,
262.28 2025.

262.29 (e) By June 30, 2026, the commissioner shall report to the chairs and ranking minority
262.30 members of the legislative committees and divisions with jurisdiction over public health or
262.31 aging on the development of the program materials and initial implementation of the public
262.32 information campaign, including how and where the funds appropriated for this purpose
262.33 were spent.

263.1 Sec. 102. **MORATORIUM ON GREEN BURIALS; STUDY.**

263.2 **Subdivision 1. Definition.** For purposes of this section, "green burial" means a burial
263.3 of a dead human body in a manner that minimizes environmental impact and does not inhibit
263.4 decomposition of the body by using practices that include at least the following:

263.5 (1) the human body is not embalmed prior to burial or is embalmed only with nontoxic
263.6 chemicals;

263.7 (2) a biodegradable casket or shroud is used for burial; and

263.8 (3) the casket or shroud holding the human body is not placed in an outer burial container
263.9 when buried.

263.10 **Subd. 2. Moratorium.** Between July 1, 2023, and July 1, 2025, a green burial shall not
263.11 be performed in this state unless the green burial is performed in a cemetery that permits
263.12 green burials and at which green burials are permitted by any applicable ordinances or
263.13 regulations.

263.14 **Subd. 3. Study and report.** (a) The commissioner of health shall study the environmental
263.15 and health impacts of green burials and natural organic reduction and develop
263.16 recommendations for the performance of green burials and natural organic reduction to
263.17 prevent environmental harm, including contamination of groundwater and surface water,
263.18 and to protect the health of workers performing green burials and natural organic reduction,
263.19 mourners, and the public. The study and recommendations may address topics that include:

263.20 (1) the siting of locations where green burials are permitted;

263.21 (2) the minimum distance a green burial location must have from groundwater, surface
263.22 water, and drinking water;

263.23 (3) the minimum depth at which a body buried via green burial must be buried, the
263.24 minimum soil depth below the body, and the minimum soil depth covering the body;

263.25 (4) the maximum density of green burial interments in a green burial location;

263.26 (5) procedures used by individuals who come in direct contact with a body awaiting
263.27 green burial to minimize the risk of infectious disease transmission from the body;

263.28 (6) methods to temporarily inhibit decomposition of an unembalmed body awaiting
263.29 green burial;

263.30 (7) the time period within which an unembalmed body awaiting green burial must be
263.31 buried or held in a manner that delays decomposition; and

264.1 (8) use of natural organic reduction of a human body.

264.2 (b) The commissioner shall submit the study and recommendations, including any
264.3 statutory changes needed to implement the recommendations, to the chairs and ranking
264.4 minority members of the legislative committees with jurisdiction over health and the
264.5 environment by February 1, 2025.

264.6 Sec. 103. **ADOPTION LAW CHANGES; PUBLIC AWARENESS CAMPAIGN.**

264.7 (a) The commissioner of human services must, in consultation with licensed child-placing
264.8 agencies and the commissioner of health, provide information and educational materials to
264.9 adopted persons and birth parents about the changes in law made by this article affecting
264.10 access to birth records.

264.11 (b) The commissioner of human services and the commissioner of health must provide
264.12 notice on the department website about the changes in the law. The commissioners or the
264.13 commissioners' designee, in consultation with licensed child-placement agencies, must
264.14 coordinate a public awareness campaign to advise the public about the changes in law made
264.15 by this article.

264.16 **EFFECTIVE DATE.** This section is effective August 1, 2023.

264.17 Sec. 104. **EMMETT LOUIS TILL VICTIMS RECOVERY PROGRAM.**

264.18 Subdivision 1. **Short title.** This section shall be known as the Emmett Louis Till Victims
264.19 Recovery Program.

264.20 Subd. 2. **Program established; grants.** (a) The commissioner of health shall establish
264.21 the Emmett Louis Till Victims Recovery Program to address the health and wellness needs
264.22 of:

264.23 (1) victims who experienced trauma, including historical trauma, resulting from events
264.24 such as assault or another violent physical act, intimidation, false accusations, wrongful
264.25 conviction, a hate crime, the violent death of a family member, or experiences of
264.26 discrimination or oppression based on the victim's race, ethnicity, or national origin; and

264.27 (2) the families and heirs of victims described in clause (1), who experienced trauma,
264.28 including historical trauma, because of their proximity or connection to the victim.

264.29 (b) The commissioner, in consultation with victims, families, and heirs described in
264.30 paragraph (a), shall award competitive grants to applicants for projects to provide the
264.31 following services to victims, families, and heirs described in paragraph (a):

265.1 (1) health and wellness services, which may include services and support to address
265.2 physical health, mental health, cultural needs, and spiritual or faith-based needs;

265.3 (2) remembrance and legacy preservation activities;

265.4 (3) cultural awareness services; and

265.5 (4) community resources and services to promote healing for victims, families, and heirs
265.6 described in paragraph (a).

265.7 (c) In awarding grants under this section, the commissioner must prioritize grant awards
265.8 to community-based organizations experienced in providing support and services to victims,
265.9 families, and heirs described in paragraph (a).

265.10 Subd. 3. **Evaluation.** Grant recipients must provide the commissioner with information
265.11 required by the commissioner to evaluate the grant program, in a time and manner specified
265.12 by the commissioner.

265.13 Subd. 4. **Reports.** The commissioner must submit a status report by January 15, 2024,
265.14 and an additional report by January 15, 2025, on the operation and results of the grant
265.15 program, to the extent available. These reports must be submitted to the chairs and ranking
265.16 minority members of the legislative committees with jurisdiction over health care. The
265.17 report due January 15, 2024, must include information on grant program activities to date
265.18 and an assessment of the need to continue to offer services provided by grant recipients to
265.19 victims, families, and heirs who experienced trauma as described in subdivision 2, paragraph
265.20 (a). The report due January 15, 2025, must include a summary of the services offered by
265.21 grant recipients; an assessment of the need to continue to offer services provided by grant
265.22 recipients to victims, families, and heirs described in subdivision 2, paragraph (a); and an
265.23 evaluation of the grant program's goals and outcomes.

265.24 Sec. 105. **EQUITABLE HEALTH CARE TASK FORCE.**

265.25 Subdivision 1. **Establishment; composition of task force.** The equitable health care
265.26 task force consists of up to 20 members appointed by the commissioner of health from both
265.27 metropolitan and greater Minnesota. Members must include representatives of:

265.28 (1) African American and African heritage communities;

265.29 (2) Asian American and Pacific Islander communities;

265.30 (3) Latina/o/x/ communities;

265.31 (4) American Indian communities and Tribal Nations;

266.1 (5) disability communities;

266.2 (6) lesbian, gay, bisexual, transgender, queer, intergender, and asexual (LGBTQIA+)
266.3 communities;

266.4 (7) organizations that advocate for the rights of individuals using the health care system;

266.5 (8) health care providers of primary care and specialty care; and

266.6 (9) organizations that provide health coverage in Minnesota.

266.7 Subd. 2. **Organization and meetings.** The task force shall be organized and administered
266.8 under Minnesota Statutes, section 15.059. The commissioner of health must convene meetings
266.9 of the task force at least quarterly. Subcommittees or work groups may be established as
266.10 necessary. Task force meetings are subject to Minnesota Statutes, chapter 13D. The task
266.11 force shall expire on June 30, 2025.

266.12 Subd. 3. **Duties of task force.** The task force shall examine inequities in how people
266.13 access and receive health care based on race or ethnicity, religion, culture, sexual orientation,
266.14 gender identity, age, or disability and identify strategies to ensure that all Minnesotans can
266.15 receive care and coverage that is respectful and ensures optimal health outcomes, to include:

266.16 (1) identifying inequities experienced by Minnesotans in interacting with the health care
266.17 system that originate from or can be attributed to their race, religion, culture, sexual
266.18 orientation, gender identity, age, or disability status;

266.19 (2) conducting community engagement across multiple systems, sectors, and communities
266.20 to identify barriers for these population groups that result in diminished standards of care
266.21 and foregone care;

266.22 (3) identifying promising practices to improve the experience of care and health outcomes
266.23 for individuals in these population groups; and

266.24 (4) making recommendations to the commissioner of health and to the chairs and ranking
266.25 minority members of the legislative with primary jurisdiction over health policy and finance
266.26 for changes in health care system practices or health insurance regulations that would address
266.27 identified issues.

266.28 Sec. 106. **TRANSITION.**

266.29 A person with a permit issued pursuant to Minnesota Statutes, section 103I.210, must
266.30 comply with Minnesota Statutes, sections 103I.209 and 103I.210, until permanent rules
266.31 governing submerged closed loop heat exchangers adopted by the commissioner are published
266.32 in the State Register.

267.1 Sec. 107. **CLOSED LOOP HEAT EXCHANGER SYSTEM MONITORING AND**
267.2 **REPORTING.**

267.3 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
267.4 the meanings given.

267.5 (b) "Accredited laboratory" means a laboratory that is certified under Minnesota Rules,
267.6 chapter 4740.

267.7 (c) "Permit holder" means persons who receive a permit under this section and includes
267.8 the property owner and licensed well contractor.

267.9 **Subd. 2. Monitoring and reporting requirements.** (a) The system owner is responsible
267.10 for monitoring and reporting to the commissioner for permitted submerged closed loop heat
267.11 exchanger systems installed under the provisional program. The commissioner must identify
267.12 projects subject to reporting by including a permit condition.

267.13 (b) The closed loop heat exchanger owner must implement a closed loop water monitoring
267.14 plan.

267.15 (c) The system owner must analyze the closed loop water for:

267.16 (1) aluminum;

267.17 (2) arsenic;

267.18 (3) copper;

267.19 (4) iron;

267.20 (5) lead;

267.21 (6) manganese;

267.22 (7) zinc;

267.23 (8) total coliform;

267.24 (9) escherichia coli (E. coli);

267.25 (10) heterotrophic plate count;

267.26 (11) legionella;

267.27 (12) pH;

267.28 (13) electrical conductivity;

267.29 (14) dissolved oxygen; and

268.1 (15) temperature.

268.2 (d) The system owner must provide the results for the sampling event, including the
268.3 parameters in paragraph (c), clauses (1) to (11), to the commissioner within 30 days of the
268.4 date of the report provided by an accredited laboratory. Paragraph (c), clauses (12) to (15),
268.5 may be measured in the field and reported along with the laboratory results.

268.6 Subd. 3. **Evaluation of permit conditions.** (a) In order to determine whether additional
268.7 permit conditions are necessary and appropriate to ensure that the construction and operation
268.8 of a submerged closed loop heat exchanger does not create the risk of material adverse
268.9 impacts on the state's groundwater, the commissioner shall require semiannual sampling of
268.10 the circulating fluids in accordance with subdivision 2 to determine whether there have been
268.11 any material changes in the chemical or biological composition of the circulating fluids.

268.12 (b) The information required by this section shall be collected from each submerged
268.13 closed loop heat exchanger system installed after June 30, 2023, under this provisional
268.14 program. The information shall be provided to the commissioner on a semiannual basis and
268.15 the final semiannual submission shall include information from the period from July 1,
268.16 2023, through December 31, 2024.

268.17 Subd. 4. **Report requirements.** (a) Every closed loop heat exchanger owner that holds
268.18 a permit issued under this section must provide a report to the commissioner for each permit
268.19 by July 31, 2025. The report must describe the status, operation, and performance of each
268.20 submerged closed loop heat exchanger system. The report may be in a format determined
268.21 by the system owner and must include:

268.22 (1) the date of the report;

268.23 (2) the name of the individual who prepared the report and permit number;

268.24 (3) a narrative description of system installation, operation, and status, including dates;

268.25 (4) the mean monthly temperature of the water entering the building;

268.26 (5) the mean monthly temperature of the water leaving the building;

268.27 (6) maintenance performed on the system, including dates, identification of heat
268.28 exchangers or components that were addressed, and descriptions of actions that occurred;
268.29 and

268.30 (7) any maintenance issues, material failures, leaks, and repairs, including dates and
268.31 descriptions of the heat exchangers or components involved, issues, failures, leaks, and
268.32 repairs.

269.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
269.2 expires on December 31, 2025.

269.3 Sec. 108. **VACCINES FOR UNINSURED AND UNDERINSURED ADULTS.**

269.4 The commissioner of health shall administer a program to provide vaccines to uninsured
269.5 and underinsured adults. The commissioner shall determine adult eligibility for free or
269.6 low-cost vaccines under this program and shall enroll clinics to participate in the program
269.7 and administer vaccines recommended by the Centers for Disease Control and Prevention.
269.8 In administering the program, the commissioner shall address racial and ethnic disparities
269.9 in vaccine coverage rates. State money appropriated for purposes of this section shall be
269.10 used to supplement, but not supplant, available federal funding for purposes of this section.

269.11 Sec. 109. **WORKPLACE SAFETY GRANTS; HEALTH CARE ENTITIES.**

269.12 Subdivision 1. **Grant program established.** The commissioner of health shall administer
269.13 a program to award workplace safety grants to increase safety measures in health care
269.14 settings and establish or expand programs to train staff in health care settings on de-escalation
269.15 and positive support services.

269.16 Subd. 2. **Eligible applicants; application.** (a) Entities eligible for a grant under this
269.17 section shall include long-term care facilities, acute care hospitals that are staffed for 49
269.18 beds or less and located in a rural area, critical access hospitals, medical clinics, dental
269.19 clinics, and community health clinics.

269.20 (b) An entity seeking a grant under this section must submit an application to the
269.21 commissioner in a form and manner prescribed by the commissioner. An application must
269.22 include information about:

269.23 (1) the type of entity or organization seeking grant funding;

269.24 (2) the specific safety measures or activities for which the applicant will use the grant
269.25 funding;

269.26 (3) a proposed budget for each of the specific activities for which the applicant will use
269.27 the grant funding;

269.28 (4) how the grant-funded measures will lead to long-term improvements in safety and
269.29 stability for staff and for patients accessing health care from the applicant; and

269.30 (5) methods the applicant will use to evaluate the effectiveness of the safety measures
269.31 and changes that will be made if the measures are deemed ineffective.

270.1 Subd. 3. **Grant awards.** The commissioner shall evaluate applications and award grants
270.2 according to a process established by the commissioner. A grant award shall not exceed
270.3 \$50,000.

270.4 Sec. 110. **TASK FORCE ON PREGNANCY HEALTH AND SUBSTANCE USE**
270.5 **DISORDERS.**

270.6 Subdivision 1. **Establishment.** The Task Force on Pregnancy Health and Substance Use
270.7 Disorders is established to recommend protocols for when physicians, advanced practice
270.8 registered nurses, and physician assistants should administer a toxicology test and
270.9 requirements for reporting for prenatal exposure to a controlled substance.

270.10 Subd. 2. **Membership.** (a) The task force shall consist of the following members:

270.11 (1) a physician licensed in Minnesota to practice obstetrics and gynecology who provides
270.12 care primarily to medical assistance enrollees during pregnancy appointed by the American
270.13 College of Obstetricians and Gynecologists;

270.14 (2) a physician licensed in Minnesota to practice pediatrics or family medicine who
270.15 provides care primarily to medical assistance enrollees with substance use disorders or who
270.16 provides addiction medicine care during pregnancy appointed by the Minnesota Medical
270.17 Association;

270.18 (3) a certified nurse-midwife licensed as an advanced practice registered nurse in
270.19 Minnesota who provides care primarily to medical assistance enrollees with substance use
270.20 disorders or provides addiction medicine care during pregnancy appointed by the Minnesota
270.21 Advanced Practice Registered Nurses Coalition;

270.22 (4) two representatives of county social services agencies, one from a county outside
270.23 the seven-county metropolitan area and one from a county within the seven-county
270.24 metropolitan area, appointed by the Minnesota Association of County Social Service
270.25 Administrators;

270.26 (5) one representative from the Board of Social Work;

270.27 (6) two Tribal representatives appointed by the Minnesota Indian Affairs Council;

270.28 (7) two members who identify as Black or African American and who have lived
270.29 experience with the child welfare system and substance use disorders appointed by the
270.30 Cultural and Ethnic Communities Leadership Council;

270.31 (8) two members who are licensed substance use disorder treatment providers appointed
270.32 by the Minnesota Association of Resources for Recovery and Chemical Health;

271.1 (9) one member representing hospitals appointed by the Minnesota Hospital Association;

271.2 (10) one designee of the commissioner of health with expertise in substance use disorders
271.3 and treatment;

271.4 (11) two members who identify as Native American or American Indian and who have
271.5 lived experience with the child welfare system and substance use disorders appointed by
271.6 the Minnesota Indian Affairs Council;

271.7 (12) two members from the Council for Minnesotans of African Heritage;

271.8 (13) one member of the Minnesota Perinatal Quality Collaborative; and

271.9 (14) one designee of the commissioner of human services with expertise in child welfare.

271.10 (b) Appointments to the task force must be made by October 1, 2023.

271.11 Subd. 3. **Chairs; meetings.** (a) The task force shall elect a chair and cochair at the first
271.12 meeting, which shall be convened no later than October 15, 2023.

271.13 (b) Task force meetings are subject to the Minnesota Open Meeting Law under Minnesota
271.14 Statutes, chapter 13D.

271.15 Subd. 4. **Administrative support.** The Department of Health must provide administrative
271.16 support and meeting space for the task force.

271.17 Subd. 5. **Duties; reports.** (a) The task force shall develop recommended protocols for
271.18 when a toxicology test for prenatal exposure to a controlled substance should be administered
271.19 to a birthing parent and a newborn infant. The task force must also recommend protocols
271.20 for providing notice or reporting of prenatal exposure to a controlled substance to local
271.21 welfare agencies under Minnesota Statutes, chapter 260E.

271.22 (b) No later than December 1, 2024, the task force must submit a written report to the
271.23 chairs and ranking minority members of the legislative committees and divisions with
271.24 jurisdiction over health and human services on the task force's activities and recommendations
271.25 on the protocols developed under paragraph (a).

271.26 Subd. 6. **Expiration.** The task force shall expire upon submission of the report required
271.27 under subdivision 5, paragraph (b), or December 1, 2024, whichever is later.

271.28 Sec. 111. **SKIN-LIGHTENING PRODUCTS PUBLIC AWARENESS AND**
271.29 **EDUCATION GRANT.**

271.30 An organization receiving a grant from the commissioner of health for public awareness
271.31 and education activities to address issues of colorism, skin-lightening products, and chemical

272.1 exposure from skin-lightening products must use the grant funds for activities that are
272.2 culturally specific and community-based and that focus on:

272.3 (1) increasing public awareness and providing education on the health dangers associated
272.4 with using skin-lightening creams and products that contain mercury and hydroquinone and
272.5 are manufactured in other countries, brought into this country, and sold illegally online or
272.6 in stores; the dangers of exposure to mercury through dermal absorption, inhalation,
272.7 hand-to-mouth contact, and contact with individuals who have used skin-lightening products;
272.8 the health effects of mercury poisoning, including the permanent effects on the central
272.9 nervous system and kidneys; and the dangers to mothers and infants of using these products
272.10 or being exposed to these products during pregnancy and while breastfeeding;

272.11 (2) identifying products that contain mercury and hydroquinone by testing skin-lightening
272.12 products;

272.13 (3) developing a train the trainer curriculum to increase community knowledge and
272.14 influence behavior changes by training community leaders, cultural brokers, community
272.15 health workers, and educators;

272.16 (4) continuing to build the self-esteem and overall wellness of young people who are
272.17 using skin-lightening products or are at risk of starting the practice of skin lightening; and

272.18 (5) building the capacity of community-based organizations to continue to combat
272.19 skin-lightening practices and chemical exposures from skin-lightening products.

272.20 Sec. 112. **REVISOR INSTRUCTION.**

272.21 (a) The revisor of statutes shall change the term "cancer surveillance system" to "cancer
272.22 reporting system" wherever it appears in the next edition of Minnesota Statutes and Minnesota
272.23 Rules and in the online publication.

272.24 (b) The revisor of statutes shall amend the headnote for Minnesota Statutes, section
272.25 145.423, to read "RECOGNITION OF INFANT WHO IS BORN ALIVE."

272.26 Sec. 113. **REPEALER.**

272.27 (a) Minnesota Statutes 2022, sections 144.212, subdivision 11; 259.83, subdivision 3;
272.28 259.89; and 260C.637, are repealed effective July 1, 2024.

272.29 (b) Minnesota Statutes 2022, sections 62U.10, subdivisions 6, 7, and 8; 144.059,
272.30 subdivision 10; and 145.4235, are repealed.

273.1 (c) Minnesota Statutes 2022, sections 62Q.145; 145.411, subdivisions 2 and 4; 145.412;
 273.2 145.413, subdivisions 2 and 3; 145.4132; 145.4133; 145.4135; 145.4136; 145.415; 145.416;
 273.3 145.423, subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; 145.4241; 145.4242; 145.4243; 145.4244;
 273.4 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 256B.011; 256B.40; 261.28; and
 273.5 393.07, subdivision 11, are repealed effective the day following final enactment.

273.6 (d) Minnesota Rules, part 4615.3600, is repealed effective the day following final
 273.7 enactment.

273.8 (e) Minnesota Rules, parts 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300,
 273.9 subparts 1, 3, 4, 4a, and 5; 4700.2410; 4700.2420; and 4700.2500, are repealed.

273.10 **ARTICLE 5**

273.11 **MEDICAL EDUCATION AND RESEARCH COSTS AND HEALTH CARE** 273.12 **WORKFORCE**

273.13 Section 1. Minnesota Statutes 2022, section 62J.692, subdivision 1, is amended to read:

273.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
 273.15 apply:

273.16 (b) "Accredited clinical training" means the clinical training provided by a medical
 273.17 education program that is accredited through an organization recognized by the Department
 273.18 of Education, the Centers for Medicare and Medicaid Services, or another national body
 273.19 who reviews the accrediting organizations for multiple disciplines and whose standards for
 273.20 recognizing accrediting organizations are reviewed and approved by the commissioner of
 273.21 health.

273.22 (c) "Commissioner" means the commissioner of health.

273.23 (d) "Clinical medical education program" means the accredited clinical training of
 273.24 physicians (medical students and residents), doctor of pharmacy practitioners (pharmacy
 273.25 students and residents), doctors of chiropractic, dentists (dental students and residents),
 273.26 advanced practice registered nurses (clinical nurse specialists, certified registered nurse
 273.27 anesthetists, nurse practitioners, and certified nurse midwives), physician assistants, dental
 273.28 therapists and advanced dental therapists, psychologists, clinical social workers, community
 273.29 paramedics, and community health workers.

273.30 (e) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota
 273.31 that sponsors and maintains primary organizational and financial responsibility for a clinical
 273.32 medical education program in Minnesota and which is accountable to the accrediting body.

274.1 (f) "Teaching institution" means a hospital, medical center, clinic, or other organization
 274.2 that conducts a clinical medical education program in Minnesota.

274.3 (g) "Trainee" means a student or resident involved in a clinical medical education
 274.4 program.

274.5 (h) "Eligible trainee FTE's" means the number of trainees, as measured by full-time
 274.6 equivalent counts, that are at training sites located in Minnesota with currently active medical
 274.7 assistance enrollment status and a National Provider Identification (NPI) number where
 274.8 training occurs ~~in~~ as part of or under the scope of either an inpatient or ambulatory patient
 274.9 care setting and where the training is funded, in part, by patient care revenues. Training that
 274.10 occurs in nursing facility settings, rural health clinics, or federally qualified health centers
 274.11 is not eligible for funding under this section.

274.12 Sec. 2. Minnesota Statutes 2022, section 62J.692, subdivision 3, is amended to read:

274.13 Subd. 3. **Application process.** (a) A clinical medical education program conducted in
 274.14 Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners,
 274.15 dentists, chiropractors, physician assistants, dental therapists and advanced dental therapists,
 274.16 psychologists, clinical social workers, community paramedics, or community health workers
 274.17 is eligible for funds under subdivision 4 if the program:

274.18 (1) is funded, in part, by patient care revenues;

274.19 (2) occurs in patient care settings that face increased financial pressure as a result of
 274.20 competition with nonteaching patient care entities, including training hours in settings
 274.21 outside of the hospital or clinic site, as applicable, including but not limited to school, home,
 274.22 and community settings; and

274.23 (3) emphasizes primary care or specialties that are in undersupply in Minnesota.

274.24 (b) A clinical medical education program for advanced practice nursing is eligible for
 274.25 funds under subdivision 4 if the program meets the eligibility requirements in paragraph
 274.26 (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health
 274.27 Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges
 274.28 and Universities system or members of the Minnesota Private College Council.

274.29 (c) Applications must be submitted to the commissioner by a sponsoring institution on
 274.30 behalf of an eligible clinical medical education program ~~and must be received by October~~
 274.31 ~~31 of each year for distribution in the following year~~ on a timeline determined by the
 274.32 commissioner. An application for funds must contain ~~the following information:~~ information

275.1 the commissioner deems necessary to determine program eligibility based on the criteria
 275.2 in paragraphs (a) and (b) and to ensure the equitable distribution of funds.

275.3 ~~(1) the official name and address of the sponsoring institution and the official name and~~
 275.4 ~~site address of the clinical medical education programs on whose behalf the sponsoring~~
 275.5 ~~institution is applying;~~

275.6 ~~(2) the name, title, and business address of those persons responsible for administering~~
 275.7 ~~the funds;~~

275.8 ~~(3) for each clinical medical education program for which funds are being sought; the~~
 275.9 ~~type and specialty orientation of trainees in the program; the name, site address, and medical~~
 275.10 ~~assistance provider number and national provider identification number of each training~~
 275.11 ~~site used in the program; the federal tax identification number of each training site used in~~
 275.12 ~~the program, where available; the total number of trainees at each training site; and the total~~
 275.13 ~~number of eligible trainee FTEs at each site; and~~

275.14 ~~(4) other supporting information the commissioner deems necessary to determine program~~
 275.15 ~~eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable~~
 275.16 ~~distribution of funds.~~

275.17 ~~(d) An application must include the information specified in clauses (1) to (3) for each~~
 275.18 ~~clinical medical education program on an annual basis for three consecutive years. After~~
 275.19 ~~that time, an application must include the information specified in clauses (1) to (3) when~~
 275.20 ~~requested, at the discretion of the commissioner:~~

275.21 ~~(1) audited clinical training costs per trainee for each clinical medical education program~~
 275.22 ~~when available or estimates of clinical training costs based on audited financial data;~~

275.23 ~~(2) a description of current sources of funding for clinical medical education costs,~~
 275.24 ~~including a description and dollar amount of all state and federal financial support, including~~
 275.25 ~~Medicare direct and indirect payments; and~~

275.26 ~~(3) other revenue received for the purposes of clinical training.~~

275.27 ~~(e)~~ (d) An applicant that does not provide information requested by the commissioner
 275.28 shall not be eligible for funds for the ~~current~~ applicable funding cycle.

275.29 Sec. 3. Minnesota Statutes 2022, section 62J.692, subdivision 4, is amended to read:

275.30 Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute ~~the~~
 275.31 ~~available medical education funds~~ revenue credited or money transferred to the medical
 275.32 education and research costs account under subdivision 8 and section 297F.10, subdivision

276.1 1, clause (2), to all qualifying applicants based on a public program volume factor, which
276.2 is determined by the total volume of public program revenue received by each training site
276.3 as a percentage of all public program revenue received by all training sites in the fund pool.

276.4 Public program revenue for the distribution formula includes revenue from medical
276.5 assistance and prepaid medical assistance. Training sites that receive no public program
276.6 revenue are ineligible for funds available under this subdivision. ~~For purposes of determining~~
276.7 ~~training site level grants to be distributed under this paragraph, total statewide average costs~~
276.8 ~~per trainee for medical residents is based on audited clinical training costs per trainee in~~
276.9 ~~primary care clinical medical education programs for medical residents. Total statewide~~
276.10 ~~average costs per trainee for dental residents is based on audited clinical training costs per~~
276.11 ~~trainee in clinical medical education programs for dental students. Total statewide average~~
276.12 ~~costs per trainee for pharmacy residents is based on audited clinical training costs per trainee~~
276.13 ~~in clinical medical education programs for pharmacy students.~~

276.14 Training sites whose training site level grant is less than \$5,000, based on the ~~formula~~
276.15 formulas described in this ~~paragraph~~ subdivision, or that train fewer than 0.1 FTE eligible
276.16 trainees, are ineligible for funds available under this subdivision. No training sites shall
276.17 receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across
276.18 all eligible training sites; grants in excess of this amount will be redistributed to other eligible
276.19 sites based on the ~~formula~~ formulas described in this ~~paragraph~~ subdivision.

276.20 (b) ~~For funds distributed in fiscal years 2014 and 2015, the distribution formula shall~~
276.21 ~~include a supplemental public program volume factor, which is determined by providing a~~
276.22 ~~supplemental payment to training sites whose public program revenue accounted for at least~~
276.23 ~~0.98 percent of the total public program revenue received by all eligible training sites. The~~
276.24 ~~supplemental public program volume factor shall be equal to ten percent of each training~~
276.25 ~~site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year~~
276.26 ~~2015. Grants to training sites whose public program revenue accounted for less than 0.98~~
276.27 ~~percent of the total public program revenue received by all eligible training sites shall be~~
276.28 ~~reduced by an amount equal to the total value of the supplemental payment. For fiscal year~~
276.29 ~~2016 and beyond, the distribution of funds shall be based solely on the public program~~
276.30 ~~volume factor as described in paragraph (a). Money appropriated through the state general~~
276.31 ~~fund, the health care access fund, and any additional fund for the purpose of funding medical~~
276.32 ~~education and research costs and that does not require federal approval must be awarded~~
276.33 ~~only to eligible training sites that do not qualify for a medical education and research cost~~
276.34 ~~rate factor under sections 256.969, subdivision 2b, paragraph (k), or 256B.75, paragraph~~
276.35 ~~(b). The commissioner shall distribute the available medical education money appropriated~~

277.1 to eligible training sites that do not qualify for a medical education and research cost rate
 277.2 factor based on a distribution formula determined by the commissioner. The distribution
 277.3 formula under this paragraph must consider clinical training costs, public program revenues,
 277.4 and other factors identified by the commissioner that address the objective of supporting
 277.5 clinical training.

277.6 (c) Funds distributed shall not be used to displace current funding appropriations from
 277.7 federal or state sources.

277.8 (d) Funds shall be distributed to the sponsoring institutions indicating the amount to be
 277.9 distributed to each of the sponsor's clinical medical education programs based on the criteria
 277.10 in this subdivision and in accordance with the commissioner's approval letter. Each clinical
 277.11 medical education program must distribute funds allocated under paragraphs (a) and (b) to
 277.12 the training sites as specified in the commissioner's approval letter. Sponsoring institutions,
 277.13 which are accredited through an organization recognized by the Department of Education
 277.14 or the Centers for Medicare and Medicaid Services, may contract directly with training sites
 277.15 to provide clinical training. To ensure the quality of clinical training, those accredited
 277.16 sponsoring institutions must:

277.17 (1) develop contracts specifying the terms, expectations, and outcomes of the clinical
 277.18 training conducted at sites; and

277.19 (2) take necessary action if the contract requirements are not met. Action may include
 277.20 ~~the withholding of payments~~ disqualifying the training site under this section or the removal
 277.21 of students from the site.

277.22 (e) Use of funds is limited to expenses related to eligible clinical training program costs
 277.23 ~~for eligible programs.~~ The commissioner shall develop a methodology for determining
 277.24 eligible costs.

277.25 (f) Any funds ~~not~~ that cannot be distributed in accordance with the commissioner's
 277.26 approval letter must be returned to the medical education and research fund within 30 days
 277.27 of receiving notice from the commissioner. ~~The commissioner shall distribute returned~~
 277.28 ~~funds to the appropriate training sites in accordance with the commissioner's approval letter.~~
 277.29 When appropriate, the commissioner shall include the undistributed money in the subsequent
 277.30 distribution cycle using the applicable methodology described in this subdivision.

277.31 ~~(g) A maximum of \$150,000 of the funds dedicated to the commissioner under section~~
 277.32 ~~297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative~~
 277.33 ~~expenses associated with implementing this section.~~

278.1 Sec. 4. Minnesota Statutes 2022, section 62J.692, subdivision 5, is amended to read:

278.2 Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must
 278.3 ~~sign and~~ submit a medical education grant verification report (GVR) to verify that the correct
 278.4 grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails~~
 278.5 ~~to submit the GVR by the stated deadline, or to request and meet the deadline for an~~
 278.6 ~~extension, the sponsoring institution is required to return the full amount of funds received~~
 278.7 ~~to the commissioner within 30 days of receiving notice from the commissioner. The~~
 278.8 ~~commissioner shall distribute returned funds to the appropriate training sites in accordance~~
 278.9 ~~with the commissioner's approval letter.~~

278.10 (b) The reports must provide verification of the distribution of the funds and must include:

278.11 ~~(1) the total number of eligible trainee FTEs in each clinical medical education program;~~

278.12 ~~(2) the name of each funded program and, for each program, the dollar amount distributed~~
 278.13 ~~to each training site and a training site expenditure report;~~

278.14 ~~(3)~~ (1) documentation of any discrepancies between the ~~initial~~ grant distribution notice
 278.15 included in the commissioner's approval letter and the actual distribution;

278.16 ~~(4)~~ (2) a statement by the sponsoring institution stating that the completed grant
 278.17 verification report is valid and accurate; and

278.18 ~~(5)~~ (3) other information the commissioner deems appropriate to evaluate the effectiveness
 278.19 of the use of funds for medical education.

278.20 ~~(e) Each year, the commissioner shall provide an annual summary report to the legislature~~
 278.21 ~~on the implementation of this section. This report is exempt from section 144.05, subdivision~~
 278.22 ~~7.~~

278.23 Sec. 5. Minnesota Statutes 2022, section 62J.692, subdivision 8, is amended to read:

278.24 Subd. 8. **Federal financial participation.** The commissioner of human services shall
 278.25 seek to maximize federal financial participation in payments for the dedicated revenue for
 278.26 medical education and research costs provided under section 297F.10, subdivision 1, clause
 278.27 (2).

278.28 ~~The commissioner shall use physician clinic rates where possible to maximize federal~~
 278.29 ~~financial participation. Any additional funds that become available must be distributed under~~
 278.30 ~~subdivision 4, paragraph (a).~~

279.1 Sec. 6. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

279.2 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness
279.3 program account is established. The commissioner of health shall use money from the
279.4 account to establish a loan forgiveness program:

279.5 (1) for medical residents, mental health professionals, and alcohol and drug counselors
279.6 agreeing to practice in designated rural areas or underserved urban communities or
279.7 specializing in the area of pediatric psychiatry;

279.8 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach
279.9 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program
279.10 at the undergraduate level or the equivalent at the graduate level;

279.11 (3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate
279.12 care facility for persons with developmental disability; in a hospital if the hospital owns
279.13 and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked
279.14 by the nurse is in the nursing home; ~~a housing with services establishment~~ in an assisted
279.15 living facility as defined in section ~~144D.01~~ 144G.08, subdivision 4 7; or for a home care
279.16 provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit
279.17 hours, or 720 hours per year in the nursing field in a postsecondary program at the
279.18 undergraduate level or the equivalent at the graduate level;

279.19 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720
279.20 hours per year in their designated field in a postsecondary program at the undergraduate
279.21 level or the equivalent at the graduate level. The commissioner, in consultation with the
279.22 Healthcare Education-Industry Partnership, shall determine the health care fields where the
279.23 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory
279.24 technology, radiologic technology, and surgical technology;

279.25 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses
279.26 who agree to practice in designated rural areas; and

279.27 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient
279.28 encounters to state public program enrollees or patients receiving sliding fee schedule
279.29 discounts through a formal sliding fee schedule meeting the standards established by the
279.30 United States Department of Health and Human Services under Code of Federal Regulations,
279.31 title 42, section 51, chapter 303.

279.32 (b) Appropriations made to the account do not cancel and are available until expended,
279.33 except that at the end of each biennium, any remaining balance in the account that is not

280.1 committed by contract and not needed to fulfill existing commitments shall cancel to the
280.2 fund.

280.3 Sec. 7. Minnesota Statutes 2022, section 144.1506, subdivision 4, is amended to read:

280.4 Subd. 4. **Consideration of expansion grant applications.** The commissioner shall
280.5 review each application to determine whether or not the residency program application is
280.6 complete and whether the proposed new residency program and any new residency slots
280.7 are eligible for a grant. The commissioner shall award grants to support up to six family
280.8 medicine, general internal medicine, or general pediatrics residents; ~~four~~ five psychiatry
280.9 residents; two geriatrics residents; and two general surgery residents. If insufficient
280.10 applications are received from any eligible specialty, funds may be redistributed to
280.11 applications from other eligible specialties.

280.12 Sec. 8. **[144.1509] PEDIATRIC PRIMARY CARE MENTAL HEALTH TRAINING**
280.13 **GRANT PROGRAM.**

280.14 Subdivision 1. **Establishment.** The commissioner of health shall establish a pediatric
280.15 primary care mental health training grant program. The commissioner shall award grants
280.16 for the development of child mental health training programs that are located in outpatient
280.17 primary care clinics. To be eligible for a grant, a training program must:

280.18 (1) focus on the training of pediatric primary care providers working with
280.19 multidisciplinary mental health teams;

280.20 (2) provide training on conducting comprehensive clinical mental health assessments
280.21 and potential pharmacological therapy;

280.22 (3) provide psychiatric consultation to pediatric primary care providers during their
280.23 outpatient pediatric primary care experiences;

280.24 (4) emphasize longitudinal care for patients with behavioral health needs; and

280.25 (5) develop partnerships with community resources.

280.26 Subd. 2. **Child mental health training grant program.** (a) Child mental health training
280.27 grants may be awarded to eligible primary care training programs to plan and implement
280.28 new programs or expand existing programs in child mental health training.

280.29 (b) Money may be spent to cover the costs of:

280.30 (1) planning related to implementing or expanding child mental health training in an
280.31 outpatient primary care clinic setting;

281.1 (2) training site improvements, fees, equipment, and supplies required for implementation
281.2 of the training programs; and

281.3 (3) supporting clinical training in the outpatient primary clinic sites.

281.4 Subd. 3. **Applications for child mental health training grants.** Eligible primary care
281.5 training programs seeking a grant must apply to the commissioner. Applications must include
281.6 the location of the training; a description of the training program, including all costs
281.7 associated with the training program; all sources of money for the training program; detailed
281.8 uses of all money for the training program; the results expected; and a plan to maintain the
281.9 training program after the grant period. The applicant must describe achievable objectives
281.10 and a timetable for the training program.

281.11 Subd. 4. **Consideration of child mental health training grant applications.** The
281.12 commissioner shall review each application to determine whether the application meets the
281.13 stated goals of the grant and shall award grants to support up to four training program
281.14 proposals.

281.15 Subd. 5. **Program oversight.** During the grant period, the commissioner may require
281.16 and collect from grantees any information necessary to evaluate the training program.

281.17 Sec. 9. **[144.1511] MENTAL HEALTH CULTURAL COMMUNITY CONTINUING**
281.18 **EDUCATION GRANT PROGRAM.**

281.19 The mental health cultural community continuing education grant program is established
281.20 in the Department of Health to provide grants for the continuing education necessary for
281.21 social workers, marriage and family therapists, psychologists, and professional clinical
281.22 counselors to become supervisors for individuals pursuing licensure in mental health
281.23 professions. The commissioner must consult with the relevant mental health licensing boards
281.24 in creating the program. To be eligible for a grant under this section, a social worker, marriage
281.25 and family therapist, psychologist, or professional clinical counselor must:

281.26 (1) be a member of a community of color or an underrepresented community as defined
281.27 in section 148E.010, subdivision 20; and

281.28 (2) work for a community mental health provider and agree to deliver at least 25 percent
281.29 of their yearly patient encounters to state public program enrollees or patients receiving
281.30 sliding fee schedule discounts through a formal sliding fee schedule meeting the standards
281.31 established by the United States Department of Health and Human Services under Code of
281.32 Federal Regulations, title 42, section 51c.303.

282.1 **Sec. 10. [144.1913] CLINICAL DENTAL EDUCATION INNOVATION GRANTS.**

282.2 (a) The commissioner of health shall award clinical dental education innovation grants
 282.3 to teaching institutions and clinical training sites for projects that increase dental access for
 282.4 underserved populations and promote innovative clinical training of dental professionals.

282.5 In awarding the grants, the commissioner shall consider the following:

282.6 (1) potential to successfully increase access to dental services for an underserved
 282.7 population;

282.8 (2) the long-term viability of the project to improve access to dental services beyond
 282.9 the period of initial funding;

282.10 (3) evidence of collaboration between the applicant and local communities;

282.11 (4) efficiency in the use of grant money; and

282.12 (5) the priority level of the project in relation to state clinical education, access, and
 282.13 workforce goals.

282.14 (b) The commissioner shall periodically evaluate the priorities in awarding innovation
 282.15 grants under this section to ensure that the priorities meet the changing workforce needs of
 282.16 the state.

282.17 **Sec. 11. [145.9272] FEDERALLY QUALIFIED HEALTH CENTERS REGISTERED**
 282.18 **APPRENTICESHIP GRANT PROGRAM.**

282.19 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
 282.20 the meanings given.

282.21 (b) "Apprentice" means an employee participating in a registered apprenticeship program.

282.22 (c) "Federally qualified health center" has the meaning given in section 145.9269,
 282.23 subdivision 1.

282.24 (d) "Nonprofit organization of community health centers" means a nonprofit organization,
 282.25 the membership of which consists of federally qualified health centers operating service
 282.26 delivery sites in Minnesota and that provides services to federally qualified health centers
 282.27 in Minnesota to promote the delivery of affordable, quality primary care services in the
 282.28 state.

282.29 (e) "Registered apprenticeship program" means an employer or organization registered
 282.30 with the Department of Labor and Industry under chapter 178.

283.1 Subd. 2. **Registered apprenticeship grant program.** The commissioner of health shall
283.2 distribute a grant to a nonprofit organization of community health centers for registered
283.3 apprenticeship programs in federally qualified health centers operating in Minnesota. Grant
283.4 money must be used to establish new registered apprenticeship programs and fund ongoing
283.5 costs for existing registered apprenticeship programs for medical assistants, dental assistants,
283.6 and other health care occupations at federally qualified health center service delivery sites
283.7 in Minnesota. Apprentices must be recruited from federally qualified health center staff and
283.8 from the population in the geographic area served by the federally qualified health center.

283.9 Sec. 12. Minnesota Statutes 2022, section 245.4663, subdivision 4, is amended to read:

283.10 **Subd. 4. Allowable uses of grant funds.** A mental health provider must use grant funds
283.11 received under this section for one or more of the following:

283.12 (1) to pay for direct supervision hours or preceptorships for students, interns, and clinical
283.13 trainees, in an amount up to \$7,500 per student, intern, or clinical trainee;

283.14 (2) to establish a program to provide supervision to multiple students, interns, or clinical
283.15 trainees; ~~or~~

283.16 (3) to pay licensing application and examination fees for clinical trainees; or

283.17 (4) to provide a weekend training program for workers to become supervisors.

283.18 Sec. 13. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

283.19 **Subd. 2b. Hospital payment rates.** (a) For discharges occurring on or after November
283.20 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
283.21 to the following:

283.22 (1) critical access hospitals as defined by Medicare shall be paid using a cost-based
283.23 methodology;

283.24 (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology
283.25 under subdivision 25;

283.26 (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation
283.27 distinct parts as defined by Medicare shall be paid according to the methodology under
283.28 subdivision 12; and

283.29 (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

283.30 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
283.31 be rebased, except that a Minnesota long-term hospital shall be rebased effective January

284.1 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
284.2 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
284.3 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
284.4 years are updated, a Minnesota long-term hospital's base year shall remain within the same
284.5 period as other hospitals.

284.6 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
284.7 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
284.8 area, except for the hospitals paid under the methodologies described in paragraph (a),
284.9 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
284.10 manner similar to Medicare. The base year or years for the rates effective November 1,
284.11 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
284.12 ensuring that the total aggregate payments under the rebased system are equal to the total
284.13 aggregate payments that were made for the same number and types of services in the base
284.14 year. Separate budget neutrality calculations shall be determined for payments made to
284.15 critical access hospitals and payments made to hospitals paid under the DRG system. Only
284.16 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being
284.17 rebased during the entire base period shall be incorporated into the budget neutrality
284.18 calculation.

284.19 (d) For discharges occurring on or after November 1, 2014, through the next rebasing
284.20 that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph
284.21 (a), clause (4), shall include adjustments to the projected rates that result in no greater than
284.22 a five percent increase or decrease from the base year payments for any hospital. Any
284.23 adjustments to the rates made by the commissioner under this paragraph and paragraph (e)
284.24 shall maintain budget neutrality as described in paragraph (c).

284.25 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
284.26 additional adjustments to the rebased rates, and when evaluating whether additional
284.27 adjustments should be made, the commissioner shall consider the impact of the rates on the
284.28 following:

284.29 (1) pediatric services;

284.30 (2) behavioral health services;

284.31 (3) trauma services as defined by the National Uniform Billing Committee;

284.32 (4) transplant services;

285.1 (5) obstetric services, newborn services, and behavioral health services provided by
285.2 hospitals outside the seven-county metropolitan area;

285.3 (6) outlier admissions;

285.4 (7) low-volume providers; and

285.5 (8) services provided by small rural hospitals that are not critical access hospitals.

285.6 (f) Hospital payment rates established under paragraph (c) must incorporate the following:

285.7 (1) for hospitals paid under the DRG methodology, the base year payment rate per
285.8 admission is standardized by the applicable Medicare wage index and adjusted by the
285.9 hospital's disproportionate population adjustment;

285.10 (2) for critical access hospitals, payment rates for discharges between November 1, 2014,
285.11 and June 30, 2015, shall be set to the same rate of payment that applied for discharges on
285.12 October 31, 2014;

285.13 (3) the cost and charge data used to establish hospital payment rates must only reflect
285.14 inpatient services covered by medical assistance; and

285.15 (4) in determining hospital payment rates for discharges occurring on or after the rate
285.16 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
285.17 discharge shall be based on the cost-finding methods and allowable costs of the Medicare
285.18 program in effect during the base year or years. In determining hospital payment rates for
285.19 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
285.20 methods and allowable costs of the Medicare program in effect during the base year or
285.21 years.

285.22 (g) The commissioner shall validate the rates effective November 1, 2014, by applying
285.23 the rates established under paragraph (c), and any adjustments made to the rates under
285.24 paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the
285.25 total aggregate payments for the same number and types of services under the rebased rates
285.26 are equal to the total aggregate payments made during calendar year 2013.

285.27 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
285.28 thereafter, payment rates under this section shall be rebased to reflect only those changes
285.29 in hospital costs between the existing base year or years and the next base year or years. In
285.30 any year that inpatient claims volume falls below the threshold required to ensure a
285.31 statistically valid sample of claims, the commissioner may combine claims data from two
285.32 consecutive years to serve as the base year. Years in which inpatient claims volume is
285.33 reduced or altered due to a pandemic or other public health emergency shall not be used as

286.1 a base year or part of a base year if the base year includes more than one year. Changes in
286.2 costs between base years shall be measured using the lower of the hospital cost index defined
286.3 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
286.4 claim. The commissioner shall establish the base year for each rebasing period considering
286.5 the most recent year or years for which filed Medicare cost reports are available. The
286.6 estimated change in the average payment per hospital discharge resulting from a scheduled
286.7 rebasing must be calculated and made available to the legislature by January 15 of each
286.8 year in which rebasing is scheduled to occur, and must include by hospital the differential
286.9 in payment rates compared to the individual hospital's costs.

286.10 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
286.11 for critical access hospitals located in Minnesota or the local trade area shall be determined
286.12 using a new cost-based methodology. The commissioner shall establish within the
286.13 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
286.14 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
286.15 the total cost for critical access hospitals as reflected in base year cost reports. Until the
286.16 next rebasing that occurs, the new methodology shall result in no greater than a five percent
286.17 decrease from the base year payments for any hospital, except a hospital that had payments
286.18 that were greater than 100 percent of the hospital's costs in the base year shall have their
286.19 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
286.20 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
286.21 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
286.22 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
286.23 following criteria:

286.24 (1) hospitals that had payments at or below 80 percent of their costs in the base year
286.25 shall have a rate set that equals 85 percent of their base year costs;

286.26 (2) hospitals that had payments that were above 80 percent, up to and including 90
286.27 percent of their costs in the base year shall have a rate set that equals 95 percent of their
286.28 base year costs; and

286.29 (3) hospitals that had payments that were above 90 percent of their costs in the base year
286.30 shall have a rate set that equals 100 percent of their base year costs.

286.31 (j) The commissioner may refine the payment tiers and criteria for critical access hospitals
286.32 to coincide with the next rebasing under paragraph (h). The factors used to develop the new
286.33 methodology may include, but are not limited to:

287.1 (1) the ratio between the hospital's costs for treating medical assistance patients and the
287.2 hospital's charges to the medical assistance program;

287.3 (2) the ratio between the hospital's costs for treating medical assistance patients and the
287.4 hospital's payments received from the medical assistance program for the care of medical
287.5 assistance patients;

287.6 (3) the ratio between the hospital's charges to the medical assistance program and the
287.7 hospital's payments received from the medical assistance program for the care of medical
287.8 assistance patients;

287.9 (4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

287.10 (5) the proportion of that hospital's costs that are administrative and trends in
287.11 administrative costs; and

287.12 (6) geographic location.

287.13 (k) Effective for discharges occurring on or after January 1, 2024, the rates paid to
287.14 hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific
287.15 to each hospital that qualifies for a medical education and research cost distribution under
287.16 section 62J.692, subdivision 4, paragraph (a).

287.17 Sec. 14. Minnesota Statutes 2022, section 256B.75, is amended to read:

287.18 **256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

287.19 (a) For outpatient hospital facility fee payments for services rendered on or after October
287.20 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge,
287.21 or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for
287.22 which there is a federal maximum allowable payment. Effective for services rendered on
287.23 or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and
287.24 emergency room facility fees shall be increased by eight percent over the rates in effect on
287.25 December 31, 1999, except for those services for which there is a federal maximum allowable
287.26 payment. Services for which there is a federal maximum allowable payment shall be paid
287.27 at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total
287.28 aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare
287.29 upper limit. If it is determined that a provision of this section conflicts with existing or
287.30 future requirements of the United States government with respect to federal financial
287.31 participation in medical assistance, the federal requirements prevail. The commissioner
287.32 may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial
287.33 participation resulting from rates that are in excess of the Medicare upper limitations.

288.1 (b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory
288.2 surgery hospital facility fee services for critical access hospitals designated under section
288.3 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the
288.4 cost-finding methods and allowable costs of the Medicare program. Effective for services
288.5 provided on or after July 1, 2015, rates established for critical access hospitals under this
288.6 paragraph for the applicable payment year shall be the final payment and shall not be settled
288.7 to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal
288.8 year ending in 2017, the rate for outpatient hospital services shall be computed using
288.9 information from each hospital's Medicare cost report as filed with Medicare for the year
288.10 that is two years before the year that the rate is being computed. Rates shall be computed
288.11 using information from Worksheet C series until the department finalizes the medical
288.12 assistance cost reporting process for critical access hospitals. After the cost reporting process
288.13 is finalized, rates shall be computed using information from Title XIX Worksheet D series.
288.14 The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs
288.15 related to rural health clinics and federally qualified health clinics, divided by ancillary
288.16 charges plus outpatient charges, excluding charges related to rural health clinics and federally
288.17 qualified health clinics. Effective for services delivered on or after January 1, 2024, the
288.18 rates paid to critical access hospitals under this section must be adjusted to include the
288.19 amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were
288.20 not included in the rate adjustment described under section 256.969, subdivision 2b,
288.21 paragraph (k).

288.22 (c) Effective for services provided on or after July 1, 2003, rates that are based on the
288.23 Medicare outpatient prospective payment system shall be replaced by a budget neutral
288.24 prospective payment system that is derived using medical assistance data. The commissioner
288.25 shall provide a proposal to the 2003 legislature to define and implement this provision.
288.26 When implementing prospective payment methodologies, the commissioner shall use general
288.27 methods and rate calculation parameters similar to the applicable Medicare prospective
288.28 payment systems for services delivered in outpatient hospital and ambulatory surgical center
288.29 settings unless other payment methodologies for these services are specified in this chapter.

288.30 (d) For fee-for-service services provided on or after July 1, 2002, the total payment,
288.31 before third-party liability and spenddown, made to hospitals for outpatient hospital facility
288.32 services is reduced by .5 percent from the current statutory rate.

288.33 (e) In addition to the reduction in paragraph (d), the total payment for fee-for-service
288.34 services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility
288.35 services before third-party liability and spenddown, is reduced five percent from the current

289.1 statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from
289.2 this paragraph.

289.3 (f) In addition to the reductions in paragraphs (d) and (e), the total payment for
289.4 fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient
289.5 hospital facility services before third-party liability and spenddown, is reduced three percent
289.6 from the current statutory rates. Mental health services and facilities defined under section
289.7 256.969, subdivision 16, are excluded from this paragraph.

289.8 Sec. 15. Minnesota Statutes 2022, section 297F.10, subdivision 1, is amended to read:

289.9 Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes,
289.10 as well as related penalties, interest, license fees, and miscellaneous sources of revenue
289.11 shall be deposited by the commissioner in the state treasury and credited as follows:

289.12 (1) ~~\$22,250,000~~ each year must be credited to the Academic Health Center special
289.13 revenue fund hereby created and is annually appropriated to the Board of Regents at the
289.14 University of Minnesota for Academic Health Center funding at the University of Minnesota;
289.15 and

289.16 (2) ~~\$3,937,000~~ \$3,788,000 each year must be credited to the medical education and
289.17 research costs account hereby created in the special revenue fund and is annually appropriated
289.18 to the commissioner of health for distribution under section 62J.692, subdivision 4, paragraph
289.19 (a); and

289.20 (3) the balance of the revenues derived from taxes, penalties, and interest (under this
289.21 chapter) and from license fees and miscellaneous sources of revenue shall be credited to
289.22 the general fund.

289.23 Sec. 16. **REPEALER.**

289.24 Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, and 7a; 137.38, subdivision
289.25 1; and 256B.69, subdivision 5c, are repealed.

289.26

ARTICLE 6

289.27

HEALTH-RELATED LICENSING BOARDS

289.28 Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 1, is amended to read:

289.29 Subdivision 1. **Scope.** For the purposes of ~~sections 144E.001 to 144E.52~~ this chapter,
289.30 the terms defined in this section have the meanings given them.

290.1 Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision
 290.2 to read:

290.3 Subd. 8b. **Medical resource communication center.** "Medical resource communication
 290.4 center" means an entity that:

290.5 (1) facilitates hospital-to-ambulance communications for ambulance services, the regional
 290.6 emergency medical services systems, and the board by coordinating patient care and
 290.7 transportation for ground and air operations;

290.8 (2) is integrated with the state's Allied Radio Matrix for Emergency Response (ARMER)
 290.9 radio system; and

290.10 (3) is the point of contact and a communication resource for statewide public safety
 290.11 entities, hospitals, and communities.

290.12 Sec. 3. Minnesota Statutes 2022, section 144E.101, subdivision 6, is amended to read:

290.13 Subd. 6. **Basic life support.** (a) Except as provided in paragraph ~~(e)~~ (f), a basic
 290.14 life-support ambulance shall be staffed by at least two EMTs, one of whom must accompany
 290.15 the patient and provide a level of care so as to ensure that:

290.16 (1) life-threatening situations and potentially serious injuries are recognized;

290.17 (2) patients are protected from additional hazards;

290.18 (3) basic treatment to reduce the seriousness of emergency situations is administered;

290.19 and

290.20 (4) patients are transported to an appropriate medical facility for treatment.

290.21 (b) A basic life-support service shall provide basic airway management.

290.22 (c) A basic life-support service shall provide automatic defibrillation.

290.23 (d) A basic life-support service shall administer opiate antagonists consistent with
 290.24 protocols established by the service's medical director.

290.25 ~~(d)~~ (e) A basic life-support service licensee's medical director may authorize ambulance
 290.26 service personnel to perform intravenous infusion and use equipment that is within the
 290.27 licensure level of the ambulance service, ~~including administration of an opiate antagonist.~~
 290.28 Ambulance service personnel must be properly trained. Documentation of authorization for
 290.29 use, guidelines for use, continuing education, and skill verification must be maintained in
 290.30 the licensee's files.

291.1 ~~(e)~~ (f) For emergency ambulance calls and interfacility transfers, an ambulance service
291.2 may staff its basic life-support ambulances with one EMT, who must accompany the patient,
291.3 and one registered emergency medical responder driver. For purposes of this paragraph,
291.4 "ambulance service" means either an ambulance service whose primary service area is
291.5 mainly located outside the metropolitan counties listed in section 473.121, subdivision 4,
291.6 and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an
291.7 ambulance service based in a community with a population of less than 2,500.

291.8 Sec. 4. Minnesota Statutes 2022, section 144E.101, subdivision 7, is amended to read:

291.9 Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an
291.10 advanced life-support ambulance shall be staffed by at least:

291.11 (1) one EMT or one AEMT and one paramedic;

291.12 (2) one EMT or one AEMT and one registered nurse who is an EMT or an AEMT, is
291.13 currently practicing nursing, and has passed a paramedic practical skills test approved by
291.14 the board and administered by an education program; or

291.15 (3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT,
291.16 is currently practicing as a physician assistant, and has passed a paramedic practical skills
291.17 test approved by the board and administered by an education program.

291.18 (b) An advanced life-support service shall provide basic life support, as specified under
291.19 subdivision 6, paragraph (a), advanced airway management, manual defibrillation, ~~and~~
291.20 administration of intravenous fluids and pharmaceuticals, and administration of opiate
291.21 antagonists.

291.22 (c) In addition to providing advanced life support, an advanced life-support service may
291.23 staff additional ambulances to provide basic life support according to subdivision 6 and
291.24 section 144E.103, subdivision 1.

291.25 (d) An ambulance service providing advanced life support shall have a written agreement
291.26 with its medical director to ensure medical control for patient care 24 hours a day, seven
291.27 days a week. The terms of the agreement shall include a written policy on the administration
291.28 of medical control for the service. The policy shall address the following issues:

291.29 (1) two-way communication for physician direction of ambulance service personnel;

291.30 (2) patient triage, treatment, and transport;

291.31 (3) use of standing orders; and

291.32 (4) the means by which medical control will be provided 24 hours a day.

292.1 The agreement shall be signed by the licensee's medical director and the licensee or the
292.2 licensee's designee and maintained in the files of the licensee.

292.3 (e) When an ambulance service provides advanced life support, the authority of a
292.4 paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician
292.5 assistant-EMT to determine the delivery of patient care prevails over the authority of an
292.6 EMT.

292.7 (f) Upon application from an ambulance service that includes evidence demonstrating
292.8 hardship, the board may grant a variance from the staff requirements in paragraph (a), clause
292.9 (1), and may authorize an advanced life-support ambulance to be staffed by a registered
292.10 emergency medical responder driver with a paramedic for all emergency calls and interfacility
292.11 transfers. The variance shall apply to advanced life-support ambulance services until the
292.12 ambulance service renews its license. When the variance expires, an ambulance service
292.13 may apply for a new variance under this paragraph. This paragraph applies only to an
292.14 ambulance service whose primary service area is mainly located outside the metropolitan
292.15 counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato,
292.16 Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a
292.17 population of less than 1,000 persons.

292.18 (g) After an initial emergency ambulance call, each subsequent emergency ambulance
292.19 response, until the initial ambulance is again available, and interfacility transfers, may be
292.20 staffed by one registered emergency medical responder driver and an EMT or paramedic.
292.21 This paragraph applies only to an ambulance service whose primary service area is mainly
292.22 located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside
292.23 the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based
292.24 in a community with a population of less than 1,000 persons.

292.25 Sec. 5. Minnesota Statutes 2022, section 144E.101, subdivision 12, is amended to read:

292.26 Subd. 12. **Mutual aid agreement.** (a) A licensee shall have a written agreement with
292.27 at least one neighboring licensed ambulance service for the preplanned and organized
292.28 response of emergency medical services, and other emergency personnel and equipment,
292.29 to a request for assistance in an emergency when local ambulance transport resources have
292.30 been expended. The response is predicated upon formal agreements among participating
292.31 ambulance services. A copy of each mutual aid agreement shall be maintained in the files
292.32 of the licensee and shall be filed with the board for informational purposes only.

292.33 (b) A licensee may have a written agreement with a neighboring licensed ambulance
292.34 service, including a licensed ambulance service from a neighboring state if that service is

293.1 currently and remains in compliance with its home state licensing requirements, to provide
293.2 ~~part-time~~ support to the primary service area of the licensee upon the licensee's request. The
293.3 agreement may allow the licensee to suspend ambulance services in its primary service area
293.4 during the times the neighboring licensed ambulance service has agreed to provide all
293.5 emergency services to the licensee's primary service area. The agreement may ~~not~~ permit
293.6 the neighboring licensed ambulance service to serve the licensee's primary service area for
293.7 ~~more than 12~~ up to 24 hours per day, provided service by the neighboring licensed ambulance
293.8 service does not exceed 108 hours per calendar week. This paragraph applies only to an
293.9 ambulance service whose primary service area is mainly located outside the metropolitan
293.10 counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato,
293.11 Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a
293.12 population of less than 2,500 persons.

293.13 Sec. 6. Minnesota Statutes 2022, section 144E.103, subdivision 1, is amended to read:

293.14 Subdivision 1. **General requirements.** Every ambulance in service for patient care shall
293.15 carry, at a minimum:

293.16 (1) oxygen;

293.17 (2) airway maintenance equipment in various sizes to accommodate all age groups;

293.18 (3) splinting equipment in various sizes to accommodate all age groups;

293.19 (4) dressings, bandages, commercially manufactured tourniquets, and bandaging
293.20 equipment;

293.21 (5) an emergency obstetric kit;

293.22 (6) equipment to determine vital signs in various sizes to accommodate all age groups;

293.23 (7) a stretcher;

293.24 (8) a defibrillator; ~~and~~

293.25 (9) a fire extinguisher; and

293.26 (10) opiate antagonists.

294.1 Sec. 7. Minnesota Statutes 2022, section 144E.35, is amended to read:

294.2 **144E.35 REIMBURSEMENT TO ~~NONPROFIT~~ AMBULANCE SERVICES FOR**
294.3 **VOLUNTEER EDUCATION COSTS.**

294.4 Subdivision 1. **Repayment for volunteer education.** A licensed ambulance service
294.5 shall be reimbursed by the board for the necessary expense of the initial education of a
294.6 volunteer ambulance attendant upon successful completion by the attendant of an EMT
294.7 education course, or a continuing education course for EMT care, or both, which has been
294.8 approved by the board, pursuant to section 144E.285. Reimbursement may include tuition,
294.9 transportation, food, lodging, hourly payment for the time spent in the education course,
294.10 and other necessary expenditures, except that in no instance shall a volunteer ambulance
294.11 attendant be reimbursed more than ~~\$600~~ \$900 for successful completion of an initial
294.12 education course, and ~~\$275~~ \$375 for successful completion of a continuing education course.

294.13 Subd. 2. **Reimbursement provisions.** Reimbursement ~~will~~ must be paid under provisions
294.14 of this section when documentation is provided to the board that the individual has served
294.15 for one year from the date of the final certification exam as an active member of a Minnesota
294.16 licensed ambulance service.

294.17 Sec. 8. **[144E.53] MEDICAL RESOURCE COMMUNICATION CENTER GRANTS.**

294.18 The board shall distribute medical resource communication center grants annually to
294.19 the two medical resource communication centers that were in operation in the state prior to
294.20 January 1, 2000.

294.21 Sec. 9. Minnesota Statutes 2022, section 147.02, subdivision 1, is amended to read:

294.22 Subdivision 1. **United States or Canadian medical school graduates.** The board shall
294.23 issue a license to practice medicine to a person not currently licensed in another state or
294.24 Canada and who meets the requirements in paragraphs (a) to (i).

294.25 (a) An applicant for a license shall file a written application on forms provided by the
294.26 board, showing to the board's satisfaction that the applicant is of good moral character and
294.27 satisfies the requirements of this section.

294.28 (b) The applicant shall present evidence satisfactory to the board of being a graduate of
294.29 a medical or osteopathic medical school located in the United States, its territories or Canada,
294.30 and approved by the board based upon its faculty, curriculum, facilities, accreditation by a
294.31 recognized national accrediting organization approved by the board, and other relevant data,
294.32 or is currently enrolled in the final year of study at the school.

295.1 (c) The applicant must have passed an examination as described in clause (1) or (2).

295.2 (1) The applicant must have passed a comprehensive examination for initial licensure
295.3 prepared and graded by the National Board of Medical Examiners, the Federation of State
295.4 Medical Boards, the Medical Council of Canada, the National Board of Osteopathic
295.5 Examiners, or the appropriate state board that the board determines acceptable. The board
295.6 shall by rule determine what constitutes a passing score in the examination.

295.7 (2) The applicant taking the United States Medical Licensing Examination (USMLE)
295.8 or Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA) must
295.9 have passed steps or levels one, two, and three. Step or level three must be passed within
295.10 five years of passing step or level two, or before the end of residency training. The applicant
295.11 must pass each of steps or levels one, two, and three with passing scores as recommended
295.12 by the USMLE program or National Board of Osteopathic Medical Examiners within three
295.13 attempts. The applicant taking combinations of Federation of State Medical Boards, National
295.14 Board of Medical Examiners, and USMLE may be accepted only if the combination is
295.15 approved by the board as comparable to existing comparable examination sequences and
295.16 all examinations are completed prior to the year 2000.

295.17 (d) The applicant shall present evidence satisfactory to the board of the completion of
295.18 one year of graduate, clinical medical training in a program accredited by a national
295.19 accrediting organization approved by the board ~~or other graduate training approved in
295.20 advance by the board as meeting standards similar to those of a national accrediting
295.21 organization.~~

295.22 (e) The applicant may make arrangements with the executive director to appear in person
295.23 before the board or its designated representative to show that the applicant satisfies the
295.24 requirements of this section. The board may establish as internal operating procedures the
295.25 procedures or requirements for the applicant's personal presentation.

295.26 (f) The applicant shall pay a nonrefundable fee established by the board. Upon application
295.27 or notice of license renewal, the board must provide notice to the applicant and to the person
295.28 whose license is scheduled to be issued or renewed of any additional fees, surcharges, or
295.29 other costs which the person is obligated to pay as a condition of licensure. The notice must:

295.30 (1) state the dollar amount of the additional costs; and

295.31 (2) clearly identify to the applicant the payment schedule of additional costs.

296.1 (g) The applicant must not be under license suspension or revocation by the licensing
296.2 board of the state or jurisdiction in which the conduct that caused the suspension or revocation
296.3 occurred.

296.4 (h) The applicant must not have engaged in conduct warranting disciplinary action
296.5 against a licensee, or have been subject to disciplinary action other than as specified in
296.6 paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph,
296.7 the board may issue a license only on the applicant's showing that the public will be protected
296.8 through issuance of a license with conditions and limitations the board considers appropriate.

296.9 (i) If the examination in paragraph (c) was passed more than ten years ago, the applicant
296.10 must either:

296.11 (1) pass the special purpose examination of the Federation of State Medical Boards with
296.12 a score of 75 or better within three attempts; or

296.13 (2) have a current certification by a specialty board of the American Board of Medical
296.14 Specialties, of the American Osteopathic Association, the Royal College of Physicians and
296.15 Surgeons of Canada, or of the College of Family Physicians of Canada.

296.16 Sec. 10. Minnesota Statutes 2022, section 147.03, subdivision 1, is amended to read:

296.17 Subdivision 1. **Endorsement; reciprocity.** (a) The board may issue a license to practice
296.18 medicine to any person who satisfies the requirements in paragraphs (b) to (e).

296.19 (b) The applicant shall satisfy all the requirements established in section 147.02,
296.20 subdivision 1, paragraphs (a), (b), (d), (e), and (f), or section 147.037, subdivision 1,
296.21 paragraphs (a) to (e).

296.22 (c) The applicant shall:

296.23 (1) have passed an examination prepared and graded by the Federation of State Medical
296.24 Boards, the National Board of Medical Examiners, or the United States Medical Licensing
296.25 Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph
296.26 (c), clause (2); the National Board of Osteopathic Medical Examiners; or the Medical Council
296.27 of Canada; and

296.28 (2) have a current license from the equivalent licensing agency in another state or Canada
296.29 and, if the examination in clause (1) was passed more than ten years ago, either:

296.30 (i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with~~
296.31 ~~a score of 75 or better~~ (SPEX) within three attempts; or

297.1 (ii) have a current certification by a specialty board of the American Board of Medical
 297.2 Specialties, of the American Osteopathic Association, the Royal College of Physicians and
 297.3 Surgeons of Canada, or of the College of Family Physicians of Canada; or

297.4 (3) if the applicant fails to meet the requirement established in section 147.02, subdivision
 297.5 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three
 297.6 attempts each of steps or levels one, two, and three of the USMLE ~~within the required three~~
 297.7 ~~attempts~~ or the Comprehensive Osteopathic Medical Licensing Examination
 297.8 (COMLEX-USA), the applicant may be granted a license provided the applicant:

297.9 (i) has passed each of steps or levels one, two, and three within no more than four attempts
 297.10 for any of the three steps or levels with passing scores as recommended by the USMLE or
 297.11 COMLEX-USA program ~~within no more than four attempts for any of the three steps;~~

297.12 (ii) is currently licensed in another state; and

297.13 (iii) has current certification by a specialty board of the American Board of Medical
 297.14 Specialties, the American Osteopathic Association ~~Bureau of Professional Education~~, the
 297.15 Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians
 297.16 of Canada.

297.17 (d) The applicant must not be under license suspension or revocation by the licensing
 297.18 board of the state or jurisdiction in which the conduct that caused the suspension or revocation
 297.19 occurred.

297.20 (e) The applicant must not have engaged in conduct warranting disciplinary action against
 297.21 a licensee, or have been subject to disciplinary action other than as specified in paragraph
 297.22 (d). If an applicant does not satisfy the requirements stated in this paragraph, the board may
 297.23 issue a license only on the applicant's showing that the public will be protected through
 297.24 issuance of a license with conditions or limitations the board considers appropriate.

297.25 (f) Upon the request of an applicant, the board may conduct the final interview of the
 297.26 applicant by teleconference.

297.27 Sec. 11. Minnesota Statutes 2022, section 147.037, subdivision 1, is amended to read:

297.28 Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to
 297.29 any person who satisfies the requirements in paragraphs (a) to (g).

297.30 (a) The applicant shall satisfy all the requirements established in section 147.02,
 297.31 subdivision 1, paragraphs (a), (e), (f), (g), and (h).

298.1 (b) The applicant shall present evidence satisfactory to the board that the applicant is a
 298.2 graduate of a medical or osteopathic school approved by the board as equivalent to accredited
 298.3 United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation,
 298.4 or other relevant data. If the applicant is a graduate of a medical or osteopathic program
 298.5 that is not accredited by the Liaison Committee for Medical Education or the American
 298.6 Osteopathic Association, the applicant may use the Federation of State Medical Boards'
 298.7 Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses
 298.8 this service as allowed under this paragraph, the physician application fee may be less than
 298.9 \$200 but must not exceed the cost of administering this paragraph.

298.10 (c) The applicant shall present evidence satisfactory to the board that the applicant has
 298.11 been awarded a certificate by the Educational Council for Foreign Medical Graduates, and
 298.12 the applicant has a working ability in the English language sufficient to communicate with
 298.13 patients and physicians and to engage in the practice of medicine.

298.14 (d) The applicant shall present evidence satisfactory to the board of the completion of
 298.15 one year of graduate, clinical medical training in a program accredited by a national
 298.16 accrediting organization approved by the board ~~or other graduate training approved in~~
 298.17 ~~advance by the board as meeting standards similar to those of a national accrediting~~
 298.18 ~~organization.~~ This requirement does not apply to an applicant who is admitted pursuant to
 298.19 the rules of the United States Department of Labor and:

298.20 (1) ~~to an applicant who is~~ was admitted as a permanent immigrant to the United States
 298.21 on or before October 1, 1991, as a person of exceptional ability in the sciences according
 298.22 to Code of Federal Regulations, title 20, section 656.22(d); or

298.23 (2) ~~to an applicant holding~~ who holds a valid license to practice medicine in another
 298.24 country and was issued a permanent immigrant visa after October 1, 1991, as a person of
 298.25 extraordinary ability in the field of science or as an outstanding professor or researcher
 298.26 according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary
 298.27 nonimmigrant visa as a person of extraordinary ability in the field of science according to
 298.28 Code of Federal Regulations, title 8, section 214.2(o);

298.29 ~~provided that a person under clause (1) or (2) is admitted pursuant to rules of the United~~
 298.30 ~~States Department of Labor.~~

298.31 (e) The applicant must:

298.32 (1) have passed an examination prepared and graded by the Federation of State Medical
 298.33 Boards, the United States Medical Licensing Examination (USMLE) program in accordance

299.1 with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of
299.2 Canada; and

299.3 (2) if the examination in clause (1) was passed more than ten years ago, either:

299.4 (i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with~~
299.5 ~~a score of 75 or better within three attempts~~ (SPEX) or the Comprehensive Osteopathic
299.6 Medical Variable-Purpose Examination of the National Board of Osteopathic Medical
299.7 Examiners (COMVEX). The applicant must pass the SPEX or COMVEX within no more
299.8 than three attempts of taking the SPEX, COMVEX, or a combination of the SPEX and
299.9 COMVEX; or

299.10 (ii) have a current certification by a specialty board of the American Board of Medical
299.11 Specialties, ~~of~~ the American Osteopathic Association, ~~of~~ the Royal College of Physicians
299.12 and Surgeons of Canada, or ~~of~~ the College of Family Physicians of Canada; or

299.13 (3) if the applicant fails to meet the requirement established in section 147.02, subdivision
299.14 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three
299.15 attempts each of steps or levels one, two, and three of the USMLE ~~within the required three~~
299.16 attempts or the Comprehensive Osteopathic Medical Licensing Examination
299.17 (COMLEX-USA), the applicant may be granted a license provided the applicant:

299.18 (i) has passed each of steps or levels one, two, and three within no more than four attempts
299.19 for any of the three steps or levels with passing scores as recommended by the USMLE or
299.20 COMLEX-USA program ~~within no more than four attempts for any of the three steps;~~

299.21 (ii) is currently licensed in another state; and

299.22 (iii) has current certification by a specialty board of the American Board of Medical
299.23 Specialties, the American Osteopathic Association, the Royal College of Physicians and
299.24 Surgeons of Canada, or the College of Family Physicians of Canada.

299.25 (f) The applicant must not be under license suspension or revocation by the licensing
299.26 board of the state or jurisdiction in which the conduct that caused the suspension or revocation
299.27 occurred.

299.28 (g) The applicant must not have engaged in conduct warranting disciplinary action
299.29 against a licensee; or have been subject to disciplinary action other than as specified in
299.30 paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the
299.31 board may issue a license only on the applicant's showing that the public will be protected
299.32 through issuance of a license with conditions or limitations the board considers appropriate.

300.1 Sec. 12. Minnesota Statutes 2022, section 147.141, is amended to read:

300.2 **147.141 FORMS OF DISCIPLINARY ACTION.**

300.3 When the board finds that a licensed physician or a physician registered under section
300.4 147.032 has violated a provision or provisions of sections 147.01 to 147.22, it may do one
300.5 or more of the following:

300.6 (1) revoke the license;

300.7 (2) suspend the license;

300.8 (3) revoke or suspend registration to perform interstate telehealth;

300.9 (4) impose limitations or conditions on the physician's practice of medicine, including
300.10 limiting the limitation of scope of practice to designated field specialties; ~~the imposition of~~
300.11 imposing retraining or rehabilitation requirements; ~~the requirement of~~ requiring practice
300.12 under supervision; or ~~the conditioning of~~ continued practice on demonstration of knowledge
300.13 or skills by appropriate examination or other review of skill and competence;

300.14 (5) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount
300.15 of the civil penalty to be fixed so as to deprive the physician of any economic advantage
300.16 gained by reason of the violation charged or to reimburse the board for the cost of the
300.17 investigation and proceeding;

300.18 (6) order the physician to provide unremunerated professional service under supervision
300.19 at a designated public hospital, clinic, or other health care institution; or

300.20 (7) censure or reprimand the licensed physician.

300.21 Sec. 13. Minnesota Statutes 2022, section 147A.16, is amended to read:

300.22 **147A.16 FORMS OF DISCIPLINARY ACTION.**

300.23 (a) When the board finds that a licensed physician assistant has violated a provision of
300.24 this chapter, it may do one or more of the following:

300.25 (1) revoke the license;

300.26 (2) suspend the license;

300.27 (3) impose limitations or conditions on the physician assistant's practice, including
300.28 limiting the scope of practice to designated field specialties; imposing retraining or
300.29 rehabilitation requirements; or limiting practice until demonstration of knowledge or skills
300.30 by appropriate examination or other review of skill and competence;

301.1 (4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount
 301.2 of the civil penalty to be fixed so as to deprive the physician assistant of any economic
 301.3 advantage gained by reason of the violation charged or to reimburse the board for the cost
 301.4 of the investigation and proceeding; or

301.5 (5) censure or reprimand the licensed physician assistant.

301.6 (b) Upon judicial review of any board disciplinary action taken under this chapter, the
 301.7 reviewing court shall seal the administrative record, except for the board's final decision,
 301.8 and shall not make the administrative record available to the public.

301.9 Sec. 14. Minnesota Statutes 2022, section 147B.02, subdivision 4, is amended to read:

301.10 Subd. 4. **Exceptions.** (a) The following persons may practice acupuncture within the
 301.11 scope of their practice without an acupuncture license:

301.12 (1) a physician licensed under chapter 147;

301.13 (2) an osteopathic physician licensed under chapter 147;

301.14 (3) a chiropractor licensed under chapter 148;

301.15 ~~(4) a person who is studying in a formal course of study or tutorial intern program~~
 301.16 ~~approved by the acupuncture advisory council established in section 147B.05 so long as~~
 301.17 ~~the person's acupuncture practice is supervised by a licensed acupuncturist or a person who~~
 301.18 ~~is exempt under clause (5);~~

301.19 (4) a person who is studying in a formal course of study so long as the person's
 301.20 acupuncture practice is supervised by a licensed acupuncturist or a person who is exempt
 301.21 under clause (5);

301.22 (5) a visiting acupuncturist practicing acupuncture within an instructional setting for the
 301.23 sole purpose of teaching at a school registered with the Minnesota Office of Higher
 301.24 Education, who may practice without a license for a period of one year, with two one-year
 301.25 extensions permitted; and

301.26 (6) a visiting acupuncturist who is in the state for the sole purpose of providing a tutorial
 301.27 or workshop not to exceed 30 days in one calendar year.

301.28 (b) This chapter does not prohibit a person who does not have an acupuncturist license
 301.29 from practicing specific noninvasive techniques, such as acupressure, that are within the
 301.30 scope of practice as set forth in section 147B.06, subdivision 4.

302.1 Sec. 15. Minnesota Statutes 2022, section 147B.02, subdivision 7, is amended to read:

302.2 Subd. 7. **Licensure requirements.** (a) ~~After June 30, 1997,~~ An applicant for licensure
302.3 must:

302.4 (1) submit a completed application for licensure on forms provided by the board, which
302.5 must include the applicant's name and address of record, which shall be public;

302.6 (2) unless licensed under subdivision 5 or 6, submit ~~a notarized copy of a~~ evidence
302.7 satisfactory to the board of current NCCAOM certification;

302.8 (3) sign a statement that the information in the application is true and correct to the best
302.9 of the applicant's knowledge and belief;

302.10 (4) submit with the application all fees required; and

302.11 (5) sign a waiver authorizing the board to obtain access to the applicant's records in this
302.12 state or any state in which the applicant has engaged in the practice of acupuncture.

302.13 (b) The board may ask the applicant to provide any additional information necessary to
302.14 ensure that the applicant is able to practice with reasonable skill and safety to the public.

302.15 (c) The board may investigate information provided by an applicant to determine whether
302.16 the information is accurate and complete. The board shall notify an applicant of action taken
302.17 on the application and the reasons for denying licensure if licensure is denied.

302.18 Sec. 16. **[148.635] FEE.**

302.19 The fee for verification of licensure is \$20. The fee is nonrefundable.

302.20 Sec. 17. Minnesota Statutes 2022, section 148B.392, subdivision 2, is amended to read:

302.21 Subd. 2. **Licensure and application fees.** Licensure and application fees established
302.22 by the board shall not exceed the following amounts:

302.23 (1) application fee for national examination is ~~\$110~~ \$150;

302.24 (2) application fee for Licensed Marriage and Family Therapist (LMFT) state examination
302.25 is ~~\$110~~ \$150;

302.26 (3) initial LMFT license fee is prorated, but cannot exceed ~~\$125~~ \$225;

302.27 (4) annual renewal fee for LMFT license is ~~\$125~~ \$225;

302.28 (5) late fee for LMFT license renewal is ~~\$50~~ \$100;

302.29 (6) application fee for LMFT licensure by reciprocity is ~~\$220~~ \$300;

- 303.1 (7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT) license
303.2 is ~~\$75~~ \$100;
- 303.3 (8) annual renewal fee for LAMFT license is ~~\$75~~ \$100;
- 303.4 (9) late fee for LAMFT renewal is ~~\$25~~ \$50;
- 303.5 (10) fee for reinstatement of license is \$150;
- 303.6 (11) fee for emeritus status is ~~\$125~~ \$225; and
- 303.7 (12) fee for temporary license for members of the military is \$100.

303.8 Sec. 18. Minnesota Statutes 2022, section 150A.08, subdivision 1, is amended to read:

303.9 Subdivision 1. **Grounds.** The board may refuse or by order suspend or revoke, limit or
303.10 modify by imposing conditions it deems necessary, the license of a dentist, dental therapist,
303.11 dental hygienist, or dental ~~assisting~~ assistant upon any of the following grounds:

303.12 (1) fraud or deception in connection with the practice of dentistry or the securing of a
303.13 license certificate;

303.14 (2) conviction, including a finding or verdict of guilt, an admission of guilt, or a no
303.15 contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice
303.16 of dentistry as evidenced by a certified copy of the conviction;

303.17 (3) conviction, including a finding or verdict of guilt, an admission of guilt, or a no
303.18 contest plea, in any court of an offense involving moral turpitude as evidenced by a certified
303.19 copy of the conviction;

303.20 (4) habitual overindulgence in the use of intoxicating liquors;

303.21 (5) improper or unauthorized prescription, dispensing, administering, or personal or
303.22 other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter
303.23 151, or of any controlled substance as defined in chapter 152;

303.24 (6) conduct unbecoming a person licensed to practice dentistry, dental therapy, dental
303.25 hygiene, or dental assisting, or conduct contrary to the best interest of the public, as such
303.26 conduct is defined by the rules of the board;

303.27 (7) gross immorality;

303.28 (8) any physical, mental, emotional, or other disability which adversely affects a dentist's,
303.29 dental therapist's, dental hygienist's, or dental assistant's ability to perform the service for
303.30 which the person is licensed;

304.1 (9) revocation or suspension of a license or equivalent authority to practice, or other
304.2 disciplinary action or denial of a license application taken by a licensing or credentialing
304.3 authority of another state, territory, or country as evidenced by a certified copy of the
304.4 licensing authority's order, if the disciplinary action or application denial was based on facts
304.5 that would provide a basis for disciplinary action under this chapter and if the action was
304.6 taken only after affording the credentialed person or applicant notice and opportunity to
304.7 refute the allegations or pursuant to stipulation or other agreement;

304.8 (10) failure to maintain adequate safety and sanitary conditions for a dental office in
304.9 accordance with the standards established by the rules of the board;

304.10 (11) employing, assisting, or enabling in any manner an unlicensed person to practice
304.11 dentistry;

304.12 (12) failure or refusal to attend, testify, and produce records as directed by the board
304.13 under subdivision 7;

304.14 (13) violation of, or failure to comply with, any other provisions of sections 150A.01 to
304.15 150A.12, the rules of the Board of Dentistry, or any disciplinary order issued by the board,
304.16 sections 144.291 to 144.298 or 595.02, subdivision 1, paragraph (d), or for any other just
304.17 cause related to the practice of dentistry. Suspension, revocation, modification or limitation
304.18 of any license shall not be based upon any judgment as to therapeutic or monetary value of
304.19 any individual drug prescribed or any individual treatment rendered, but only upon a repeated
304.20 pattern of conduct;

304.21 (14) knowingly providing false or misleading information that is directly related to the
304.22 care of that patient unless done for an accepted therapeutic purpose such as the administration
304.23 of a placebo; or

304.24 (15) aiding suicide or aiding attempted suicide in violation of section 609.215 as
304.25 established by any of the following:

304.26 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
304.27 of section 609.215, subdivision 1 or 2;

304.28 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
304.29 issued under section 609.215, subdivision 4;

304.30 (iii) a copy of the record of a judgment assessing damages under section 609.215,
304.31 subdivision 5; or

305.1 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
305.2 The board shall investigate any complaint of a violation of section 609.215, subdivision 1
305.3 or 2.

305.4 Sec. 19. Minnesota Statutes 2022, section 150A.08, subdivision 5, is amended to read:

305.5 Subd. 5. **Medical examinations.** If the board has probable cause to believe that a dentist,
305.6 dental therapist, dental hygienist, dental assistant, or applicant engages in acts described in
305.7 subdivision 1, clause (4) or (5), or has a condition described in subdivision 1, clause (8), it
305.8 shall direct the dentist, dental therapist, dental hygienist, dental assistant, or applicant to
305.9 submit to a mental or physical examination or a substance use disorder assessment. For the
305.10 purpose of this subdivision, every dentist, dental therapist, dental hygienist, or dental assistant
305.11 licensed under this chapter or person submitting an application for a license is deemed to
305.12 have given consent to submit to a mental or physical examination when directed in writing
305.13 by the board and to have waived all objections in any proceeding under this section to the
305.14 admissibility of the examining physician's testimony or examination reports on the ground
305.15 that they constitute a privileged communication. Failure to submit to an examination without
305.16 just cause may result in an application being denied or a default and final order being entered
305.17 without the taking of testimony or presentation of evidence, other than evidence which may
305.18 be submitted by affidavit, that the licensee or applicant did not submit to the examination.
305.19 A dentist, dental therapist, dental hygienist, dental assistant, or applicant affected under this
305.20 section shall at reasonable intervals be afforded an opportunity to demonstrate ability to
305.21 start or resume the competent practice of dentistry or perform the duties of a dental therapist,
305.22 dental hygienist, or dental assistant with reasonable skill and safety to patients. In any
305.23 proceeding under this subdivision, neither the record of proceedings nor the orders entered
305.24 by the board is admissible, is subject to subpoena, or may be used against the dentist, dental
305.25 therapist, dental hygienist, dental assistant, or applicant in any proceeding not commenced
305.26 by the board. Information obtained under this subdivision shall be classified as private
305.27 pursuant to the Minnesota Government Data Practices Act.

305.28 Sec. 20. Minnesota Statutes 2022, section 150A.091, is amended by adding a subdivision
305.29 to read:

305.30 Subd. 23. **Mailing list services.** Each licensee must submit a nonrefundable \$5 fee to
305.31 request a mailing address list.

306.1 Sec. 21. Minnesota Statutes 2022, section 150A.13, subdivision 10, is amended to read:

306.2 Subd. 10. **Failure to report.** ~~On or after August 1, 2012,~~ Any person, institution, insurer,
306.3 or organization that fails to report as required under subdivisions 2 to 6 shall be subject to
306.4 civil penalties for failing to report as required by law.

306.5 Sec. 22. Minnesota Statutes 2022, section 151.065, subdivision 1, is amended to read:

306.6 Subdivision 1. **Application fees.** Application fees for licensure and registration are as
306.7 follows:

306.8 (1) pharmacist licensed by examination, ~~\$175~~ \$225;

306.9 (2) pharmacist licensed by reciprocity, ~~\$275~~ \$300;

306.10 (3) pharmacy intern, ~~\$50~~ \$75;

306.11 (4) pharmacy technician, ~~\$50~~ \$60;

306.12 (5) pharmacy, ~~\$260~~ \$450;

306.13 (6) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;

306.14 (7) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

306.15 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;

306.16 (9) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500
306.17 for each additional facility;

306.18 (10) third-party logistics provider, ~~\$260~~ \$300;

306.19 (11) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;

306.20 (12) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

306.21 (13) drug manufacturer, nonlegend or veterinary legend drugs, ~~\$5,260~~ \$5,500;

306.22 (14) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~
306.23 \$500 for each additional facility;

306.24 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;

306.25 (16) drug manufacturer of opiate-containing controlled substances listed in section
306.26 152.02, subdivisions 3 to 5, ~~\$5,260~~ \$5,500;

306.27 (17) medical gas dispenser, ~~\$260~~ \$400;

306.28 (18) controlled substance researcher, ~~\$75~~ \$150; and

307.1 (19) pharmacy professional corporation, \$150.

307.2 Sec. 23. Minnesota Statutes 2022, section 151.065, subdivision 2, is amended to read:

307.3 Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~\$175~~ \$225.

307.4 Sec. 24. Minnesota Statutes 2022, section 151.065, subdivision 3, is amended to read:

307.5 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as
307.6 follows:

307.7 (1) pharmacist, ~~\$175~~ \$225;

307.8 (2) pharmacy technician, ~~\$50~~ \$60;

307.9 (3) pharmacy, ~~\$260~~ \$450;

307.10 (4) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,500;

307.11 (5) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

307.12 (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;

307.13 (7) drug wholesaler, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~ \$500

307.14 for each additional facility;

307.15 (8) third-party logistics provider, ~~\$260~~ \$300;

307.16 (9) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,500;

307.17 (10) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,500;

307.18 (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~\$5,260~~ \$5,500;

307.19 (12) drug manufacturer, medical gases, ~~\$5,260~~ \$5,500 for the first facility and ~~\$260~~

307.20 \$500 for each additional facility;

307.21 (13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,500;

307.22 (14) drug manufacturer of opiate-containing controlled substances listed in section

307.23 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,500;

307.24 (15) medical gas dispenser, ~~\$260~~ \$400;

307.25 (16) controlled substance researcher, ~~\$75~~ \$150; and

307.26 (17) pharmacy professional corporation, ~~\$100~~ \$150.

308.1 Sec. 25. Minnesota Statutes 2022, section 151.065, subdivision 4, is amended to read:

308.2 Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses and
308.3 certificates are as follows:

308.4 (1) intern affidavit, ~~\$20~~ \$30;

308.5 (2) duplicate small license, ~~\$20~~ \$30; and

308.6 (3) duplicate large certificate, \$30.

308.7 Sec. 26. Minnesota Statutes 2022, section 151.065, subdivision 6, is amended to read:

308.8 Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license
308.9 to lapse may reinstate the license with board approval and upon payment of any fees and
308.10 late fees in arrears, up to a maximum of \$1,000.

308.11 (b) A pharmacy technician who has allowed the technician's registration to lapse may
308.12 reinstate the registration with board approval and upon payment of any fees and late fees
308.13 in arrears, up to a maximum of ~~\$90~~ \$250.

308.14 (c) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics
308.15 provider, or a medical gas dispenser who has allowed the license of the establishment to
308.16 lapse may reinstate the license with board approval and upon payment of any fees and late
308.17 fees in arrears.

308.18 (d) A controlled substance researcher who has allowed the researcher's registration to
308.19 lapse may reinstate the registration with board approval and upon payment of any fees and
308.20 late fees in arrears.

308.21 (e) A pharmacist owner of a professional corporation who has allowed the corporation's
308.22 registration to lapse may reinstate the registration with board approval and upon payment
308.23 of any fees and late fees in arrears.

308.24 Sec. 27. Minnesota Statutes 2022, section 151.555, is amended to read:

308.25 **151.555 ~~PRESCRIPTION DRUG~~ MEDICATION REPOSITORY PROGRAM.**

308.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
308.27 subdivision have the meanings given.

308.28 (b) "Central repository" means a wholesale distributor that meets the requirements under
308.29 subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this
308.30 section.

- 309.1 (c) "Distribute" means to deliver, other than by administering or dispensing.
- 309.2 (d) "Donor" means:
- 309.3 (1) a health care facility as defined in this subdivision;
- 309.4 (2) a skilled nursing facility licensed under chapter 144A;
- 309.5 (3) an assisted living facility licensed under chapter 144G;
- 309.6 (4) a pharmacy licensed under section 151.19, and located either in the state or outside
- 309.7 the state;
- 309.8 (5) a drug wholesaler licensed under section 151.47;
- 309.9 (6) a drug manufacturer licensed under section 151.252; or
- 309.10 (7) an individual at least 18 years of age, provided that the drug or medical supply that
- 309.11 is donated was obtained legally and meets the requirements of this section for donation.
- 309.12 (e) "Drug" means any prescription drug that has been approved for medical use in the
- 309.13 United States, is listed in the United States Pharmacopoeia or National Formulary, and
- 309.14 meets the criteria established under this section for donation; or any over-the-counter
- 309.15 medication that meets the criteria established under this section for donation. This definition
- 309.16 includes cancer drugs and antirejection drugs, but does not include controlled substances,
- 309.17 as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed
- 309.18 to a patient registered with the drug's manufacturer in accordance with federal Food and
- 309.19 Drug Administration requirements.
- 309.20 (f) "Health care facility" means:
- 309.21 (1) a physician's office or health care clinic where licensed practitioners provide health
- 309.22 care to patients;
- 309.23 (2) a hospital licensed under section 144.50;
- 309.24 (3) a pharmacy licensed under section 151.19 and located in Minnesota; or
- 309.25 (4) a nonprofit community clinic, including a federally qualified health center; a rural
- 309.26 health clinic; public health clinic; or other community clinic that provides health care utilizing
- 309.27 a sliding fee scale to patients who are low-income, uninsured, or underinsured.
- 309.28 (g) "Local repository" means a health care facility that elects to accept donated drugs
- 309.29 and medical supplies and meets the requirements of subdivision 4.
- 309.30 (h) "Medical supplies" or "supplies" means any prescription ~~and~~ or nonprescription
- 309.31 medical supplies needed to administer a ~~prescription~~ drug.

310.1 (i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is
 310.2 sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or
 310.3 unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose
 310.4 packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules,
 310.5 part 6800.3750.

310.6 (j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that
 310.7 it does not include a veterinarian.

310.8 Subd. 2. **Establishment; contract and oversight.** ~~By January 1, 2020,~~ (a) The Board
 310.9 of Pharmacy shall establish a ~~drug~~ medication repository program, through which donors
 310.10 may donate a drug or medical supply for use by an individual who meets the eligibility
 310.11 criteria specified under subdivision 5.

310.12 (b) The board shall contract with a central repository that meets the requirements of
 310.13 subdivision 3 to implement and administer the ~~prescription drug~~ medication repository
 310.14 program. The contract must:

310.15 (1) require payment by the board to the central repository any amount appropriated by
 310.16 the legislature for the operation and administration of the medication repository program;

310.17 (2) require the central repository to report the following performance measures to the
 310.18 board:

310.19 (i) the number of individuals served and the types of medications these individuals
 310.20 received;

310.21 (ii) the number of clinics, pharmacies, and long-term care facilities with which the central
 310.22 repository partnered;

310.23 (iii) the number and cost of medications accepted for inventory, disposed of, and
 310.24 dispensed to individuals in need; and

310.25 (iv) locations within the state to which medications were shipped or delivered; and

310.26 (3) require the board to annually audit the expenditure by the central repository of any
 310.27 money appropriated by the legislature and paid under a contract by the board to ensure that
 310.28 the amount appropriated is used only for purposes specified in the contract.

310.29 Subd. 3. **Central repository requirements.** (a) The board may publish a request for
 310.30 proposal for participants who meet the requirements of this subdivision and are interested
 310.31 in acting as the central repository for the ~~drug~~ medication repository program. If the board
 310.32 publishes a request for proposal, it shall follow all applicable state procurement procedures

311.1 in the selection process. The board may also work directly with the University of Minnesota
311.2 to establish a central repository.

311.3 (b) To be eligible to act as the central repository, the participant must be a wholesale
311.4 drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance
311.5 with all applicable federal and state statutes, rules, and regulations.

311.6 (c) The central repository shall be subject to inspection by the board pursuant to section
311.7 151.06, subdivision 1.

311.8 (d) The central repository shall comply with all applicable federal and state laws, rules,
311.9 and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and
311.10 dispensing. The facility must maintain in good standing any state license or registration that
311.11 applies to the facility.

311.12 Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the ~~drug~~
311.13 medication repository program, a health care facility must agree to comply with all applicable
311.14 federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository
311.15 program, drug storage, and dispensing. The facility must also agree to maintain in good
311.16 standing any required state license or registration that may apply to the facility.

311.17 (b) A local repository may elect to participate in the program by submitting the following
311.18 information to the central repository on a form developed by the board and made available
311.19 on the board's website:

311.20 (1) the name, street address, and telephone number of the health care facility and any
311.21 state-issued license or registration number issued to the facility, including the issuing state
311.22 agency;

311.23 (2) the name and telephone number of a responsible pharmacist or practitioner who is
311.24 employed by or under contract with the health care facility; and

311.25 (3) a statement signed and dated by the responsible pharmacist or practitioner indicating
311.26 that the health care facility meets the eligibility requirements under this section and agrees
311.27 to comply with this section.

311.28 (c) Participation in the ~~drug~~ medication repository program is voluntary. A local
311.29 repository may withdraw from participation in the ~~drug~~ medication repository program at
311.30 any time by providing written notice to the central repository on a form developed by the
311.31 board and made available on the board's website. The central repository shall provide the
311.32 board with a copy of the withdrawal notice within ten business days from the date of receipt
311.33 of the withdrawal notice.

312.1 Subd. 5. **Individual eligibility and application requirements.** (a) To be eligible for
312.2 the ~~drug~~ drug medication repository program, an individual must submit to a local repository an
312.3 intake application form that is signed by the individual and attests that the individual:

312.4 (1) is a resident of Minnesota;

312.5 (2) is uninsured and is not enrolled in the medical assistance program under chapter
312.6 256B or the MinnesotaCare program under chapter 256L, has no prescription drug coverage,
312.7 or is underinsured;

312.8 (3) acknowledges that the drugs or medical supplies to be received through the program
312.9 may have been donated; and

312.10 (4) consents to a waiver of the child-resistant packaging requirements of the federal
312.11 Poison Prevention Packaging Act.

312.12 (b) Upon determining that an individual is eligible for the program, the local repository
312.13 shall furnish the individual with an identification card. The card shall be valid for one year
312.14 from the date of issuance and may be used at any local repository. A new identification card
312.15 may be issued upon expiration once the individual submits a new application form.

312.16 (c) The local repository shall send a copy of the intake application form to the central
312.17 repository by regular mail, facsimile, or secured email within ten days from the date the
312.18 application is approved by the local repository.

312.19 (d) The board shall develop and make available on the board's website an application
312.20 form and the format for the identification card.

312.21 Subd. 6. **Standards and procedures for accepting donations of drugs and supplies.** (a)
312.22 A donor may donate ~~prescription~~ drugs or medical supplies to the central repository or a
312.23 local repository if the drug or supply meets the requirements of this section as determined
312.24 by a pharmacist or practitioner who is employed by or under contract with the central
312.25 repository or a local repository.

312.26 (b) A ~~prescription~~ drug is eligible for donation under the ~~drug~~ drug medication repository
312.27 program if the following requirements are met:

312.28 (1) the donation is accompanied by a ~~drug~~ drug medication repository donor form described
312.29 under paragraph (d) that is signed by an individual who is authorized by the donor to attest
312.30 to the donor's knowledge in accordance with paragraph (d);

312.31 (2) the drug's expiration date is at least six months after the date the drug was donated.
312.32 If a donated drug bears an expiration date that is less than six months from the donation

313.1 date, the drug may be accepted and distributed if the drug is in high demand and can be
313.2 dispensed for use by a patient before the drug's expiration date;

313.3 (3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes
313.4 the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging
313.5 is unopened;

313.6 (4) the drug or the packaging does not have any physical signs of tampering, misbranding,
313.7 deterioration, compromised integrity, or adulteration;

313.8 (5) the drug does not require storage temperatures other than normal room temperature
313.9 as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being
313.10 donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located
313.11 in Minnesota; and

313.12 (6) the ~~prescription~~ drug is not a controlled substance.

313.13 (c) A medical supply is eligible for donation under the ~~drug~~ medication repository
313.14 program if the following requirements are met:

313.15 (1) the supply has no physical signs of tampering, misbranding, or alteration and there
313.16 is no reason to believe it has been adulterated, tampered with, or misbranded;

313.17 (2) the supply is in its original, unopened, sealed packaging;

313.18 (3) the donation is accompanied by a ~~drug~~ medication repository donor form described
313.19 under paragraph (d) that is signed by an individual who is authorized by the donor to attest
313.20 to the donor's knowledge in accordance with paragraph (d); and

313.21 (4) if the supply bears an expiration date, the date is at least six months later than the
313.22 date the supply was donated. If the donated supply bears an expiration date that is less than
313.23 six months from the date the supply was donated, the supply may be accepted and distributed
313.24 if the supply is in high demand and can be dispensed for use by a patient before the supply's
313.25 expiration date.

313.26 (d) The board shall develop the ~~drug~~ medication repository donor form and make it
313.27 available on the board's website. The form must state that to the best of the donor's knowledge
313.28 the donated drug or supply has been properly stored under appropriate temperature and
313.29 humidity conditions and that the drug or supply has never been opened, used, tampered
313.30 with, adulterated, or misbranded.

313.31 (e) Donated drugs and supplies may be shipped or delivered to the premises of the central
313.32 repository or a local repository, and shall be inspected by a pharmacist or an authorized

314.1 practitioner who is employed by or under contract with the repository and who has been
314.2 designated by the repository to accept donations. A drop box must not be used to deliver
314.3 or accept donations.

314.4 (f) The central repository and local repository shall inventory all drugs and supplies
314.5 donated to the repository. For each drug, the inventory must include the drug's name, strength,
314.6 quantity, manufacturer, expiration date, and the date the drug was donated. For each medical
314.7 supply, the inventory must include a description of the supply, its manufacturer, the date
314.8 the supply was donated, and, if applicable, the supply's brand name and expiration date.

314.9 **Subd. 7. Standards and procedures for inspecting and storing donated ~~prescription~~**
314.10 **drugs and supplies.** (a) A pharmacist or authorized practitioner who is employed by or
314.11 under contract with the central repository or a local repository shall inspect all donated
314.12 ~~prescription~~ drugs and supplies before the drug or supply is dispensed to determine, to the
314.13 extent reasonably possible in the professional judgment of the pharmacist or practitioner,
314.14 that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe
314.15 and suitable for dispensing, has not been subject to a recall, and meets the requirements for
314.16 donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an
314.17 inspection record stating that the requirements for donation have been met. If a local
314.18 repository receives drugs and supplies from the central repository, the local repository does
314.19 not need to reinspect the drugs and supplies.

314.20 (b) The central repository and local repositories shall store donated drugs and supplies
314.21 in a secure storage area under environmental conditions appropriate for the drug or supply
314.22 being stored. Donated drugs and supplies may not be stored with nondonated inventory.

314.23 (c) The central repository and local repositories shall dispose of all ~~prescription~~ drugs
314.24 and medical supplies that are not suitable for donation in compliance with applicable federal
314.25 and state statutes, regulations, and rules concerning hazardous waste.

314.26 (d) In the event that controlled substances or ~~prescription~~ drugs that can only be dispensed
314.27 to a patient registered with the drug's manufacturer are shipped or delivered to a central or
314.28 local repository for donation, the shipment delivery must be documented by the repository
314.29 and returned immediately to the donor or the donor's representative that provided the drugs.

314.30 (e) Each repository must develop drug and medical supply recall policies and procedures.
314.31 If a repository receives a recall notification, the repository shall destroy all of the drug or
314.32 medical supply in its inventory that is the subject of the recall and complete a record of
314.33 destruction form in accordance with paragraph (f). If a drug or medical supply that is the
314.34 subject of a Class I or Class II recall has been dispensed, the repository shall immediately

315.1 notify the recipient of the recalled drug or medical supply. A drug that potentially is subject
315.2 to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug
315.3 is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

315.4 (f) A record of destruction of donated drugs and supplies that are not dispensed under
315.5 subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation
315.6 shall be maintained by the repository for at least two years. For each drug or supply destroyed,
315.7 the record shall include the following information:

315.8 (1) the date of destruction;

315.9 (2) the name, strength, and quantity of the drug destroyed; and

315.10 (3) the name of the person or firm that destroyed the drug.

315.11 Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed
315.12 if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and
315.13 are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies
315.14 to eligible individuals in the following priority order: (1) individuals who are uninsured;
315.15 (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured.
315.16 A repository shall dispense donated ~~prescription~~ drugs in compliance with applicable federal
315.17 and state laws and regulations for dispensing ~~prescription~~ drugs, including all requirements
315.18 relating to packaging, labeling, record keeping, drug utilization review, and patient
315.19 counseling.

315.20 (b) Before dispensing or administering a drug or supply, the pharmacist or practitioner
315.21 shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date
315.22 of expiration. Drugs or supplies that have expired or appear upon visual inspection to be
315.23 adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

315.24 (c) Before a drug or supply is dispensed or administered to an individual, the individual
315.25 must sign a drug repository recipient form acknowledging that the individual understands
315.26 the information stated on the form. The board shall develop the form and make it available
315.27 on the board's website. The form must include the following information:

315.28 (1) that the drug or supply being dispensed or administered has been donated and may
315.29 have been previously dispensed;

315.30 (2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure
315.31 that the drug or supply has not expired, has not been adulterated or misbranded, and is in
315.32 its original, unopened packaging; and

316.1 (3) that the dispensing pharmacist, the dispensing or administering practitioner, the
 316.2 central repository or local repository, the Board of Pharmacy, and any other participant of
 316.3 the ~~drug~~ medication repository program cannot guarantee the safety of the drug or medical
 316.4 supply being dispensed or administered and that the pharmacist or practitioner has determined
 316.5 that the drug or supply is safe to dispense or administer based on the accuracy of the donor's
 316.6 form submitted with the donated drug or medical supply and the visual inspection required
 316.7 to be performed by the pharmacist or practitioner before dispensing or administering.

316.8 Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual
 316.9 receiving a drug or supply a handling fee of no more than 250 percent of the medical
 316.10 assistance program dispensing fee for each drug or medical supply dispensed or administered
 316.11 by that repository.

316.12 (b) A repository that dispenses or administers a drug or medical supply through the ~~drug~~
 316.13 medication repository program shall not receive reimbursement under the medical assistance
 316.14 program or the MinnesotaCare program for that dispensed or administered drug or supply.

316.15 Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and
 316.16 local repositories may distribute drugs and supplies donated under the ~~drug~~ medication
 316.17 repository program to other participating repositories for use pursuant to this program.

316.18 (b) A local repository that elects not to dispense donated drugs or supplies must transfer
 316.19 all donated drugs and supplies to the central repository. A copy of the donor form that was
 316.20 completed by the original donor under subdivision 6 must be provided to the central
 316.21 repository at the time of transfer.

316.22 Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed
 316.23 for the administration of this program shall be utilized by the participants of the program
 316.24 and shall be available on the board's website:

316.25 (1) intake application form described under subdivision 5;

316.26 (2) local repository participation form described under subdivision 4;

316.27 (3) local repository withdrawal form described under subdivision 4;

316.28 (4) ~~drug~~ medication repository donor form described under subdivision 6;

316.29 (5) record of destruction form described under subdivision 7; and

316.30 (6) ~~drug~~ medication repository recipient form described under subdivision 8.

316.31 (b) All records, including drug inventory, inspection, and disposal of donated ~~prescription~~
 316.32 drugs and medical supplies, must be maintained by a repository for a minimum of two years.

317.1 Records required as part of this program must be maintained pursuant to all applicable
317.2 practice acts.

317.3 (c) Data collected by the ~~drug~~ medication repository program from all local repositories
317.4 shall be submitted quarterly or upon request to the central repository. Data collected may
317.5 consist of the information, records, and forms required to be collected under this section.

317.6 (d) The central repository shall submit reports to the board as required by the contract
317.7 or upon request of the board.

317.8 Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal
317.9 or civil liability for injury, death, or loss to a person or to property for causes of action
317.10 described in clauses (1) and (2). A manufacturer is not liable for:

317.11 (1) the intentional or unintentional alteration of the drug or supply by a party not under
317.12 the control of the manufacturer; or

317.13 (2) the failure of a party not under the control of the manufacturer to transfer or
317.14 communicate product or consumer information or the expiration date of the donated drug
317.15 or supply.

317.16 (b) A health care facility participating in the program, a pharmacist dispensing a drug
317.17 or supply pursuant to the program, a practitioner dispensing or administering a drug or
317.18 supply pursuant to the program, or a donor of a drug or medical supply is immune from
317.19 civil liability for an act or omission that causes injury to or the death of an individual to
317.20 whom the drug or supply is dispensed and no disciplinary action by a health-related licensing
317.21 board shall be taken against a pharmacist or practitioner so long as the drug or supply is
317.22 donated, accepted, distributed, and dispensed according to the requirements of this section.
317.23 This immunity does not apply if the act or omission involves reckless, wanton, or intentional
317.24 misconduct, or malpractice unrelated to the quality of the drug or medical supply.

317.25 Subd. 13. **Drug returned for credit.** Nothing in this section allows a long-term care
317.26 facility to donate a drug to a central or local repository when federal or state law requires
317.27 the drug to be returned to the pharmacy that initially dispensed it, so that the pharmacy can
317.28 credit the payer for the amount of the drug returned.

317.29 Subd. 14. **Cooperation.** The central repository, as approved by the Board of Pharmacy,
317.30 may enter into an agreement with another state that has an established drug repository or
317.31 drug donation program if the other state's program includes regulations to ensure the purity,
317.32 integrity, and safety of the drugs and supplies donated, to permit the central repository to
317.33 offer to another state program inventory that is not needed by a Minnesota resident and to

318.1 accept inventory from another state program to be distributed to local repositories and
318.2 dispensed to Minnesota residents in accordance with this program.

318.3 Subd. 15. **Funding.** The central repository may seek grants and other money from
318.4 nonprofit charitable organizations, the federal government, and other sources to fund the
318.5 ongoing operations of the medication repository program.

318.6 Sec. 28. Minnesota Statutes 2022, section 151.74, subdivision 3, is amended to read:

318.7 **Subd. 3. Access to urgent-need insulin.** (a) MNsure shall develop an application form
318.8 to be used by an individual who is in urgent need of insulin. The application must ask the
318.9 individual to attest to the eligibility requirements described in subdivision 2. The form shall
318.10 be accessible through MNsure's website. MNsure shall also make the form available to
318.11 pharmacies and health care providers who prescribe or dispense insulin, hospital emergency
318.12 departments, urgent care clinics, and community health clinics. By submitting a completed,
318.13 signed, and dated application to a pharmacy, the individual attests that the information
318.14 contained in the application is correct.

318.15 (b) If the individual is in urgent need of insulin, the individual may present a completed,
318.16 signed, and dated application form to a pharmacy. The individual must also:

318.17 (1) have a valid insulin prescription; and

318.18 (2) present the pharmacist with identification indicating Minnesota residency in the form
318.19 of a valid Minnesota identification card, driver's license or permit, individual taxpayer
318.20 identification number, or Tribal identification card as defined in section 171.072, paragraph

318.21 (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent
318.22 or legal guardian must provide the pharmacist with proof of residency.

318.23 (c) Upon receipt of a completed and signed application, the pharmacist shall dispense
318.24 the prescribed insulin in an amount that will provide the individual with a 30-day supply.
318.25 The pharmacy must notify the health care practitioner who issued the prescription order no
318.26 later than 72 hours after the insulin is dispensed.

318.27 (d) The pharmacy may submit to the manufacturer of the dispensed insulin product or
318.28 to the manufacturer's vendor a claim for payment that is in accordance with the National
318.29 Council for Prescription Drug Program standards for electronic claims processing, unless
318.30 the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin
318.31 as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the
318.32 manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the
318.33 pharmacy in an amount that covers the pharmacy's acquisition cost.

319.1 (e) The pharmacy may collect an insulin co-payment from the individual to cover the
319.2 pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day
319.3 supply of insulin dispensed.

319.4 (f) The pharmacy shall also provide each eligible individual with the information sheet
319.5 described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy
319.6 for the individual to contact if the individual is in need of accessing ongoing insulin coverage
319.7 options, including assistance in:

319.8 (1) applying for medical assistance or MinnesotaCare;

319.9 (2) applying for a qualified health plan offered through MNsure, subject to open and
319.10 special enrollment periods;

319.11 (3) accessing information on providers who participate in prescription drug discount
319.12 programs, including providers who are authorized to participate in the 340B program under
319.13 section 340b of the federal Public Health Services Act, United States Code, title 42, section
319.14 256b; and

319.15 (4) accessing insulin manufacturers' patient assistance programs, co-payment assistance
319.16 programs, and other foundation-based programs.

319.17 (g) The pharmacist shall retain a copy of the application form submitted by the individual
319.18 to the pharmacy for reporting and auditing purposes.

319.19 Sec. 29. Minnesota Statutes 2022, section 151.74, subdivision 4, is amended to read:

319.20 Subd. 4. **Continuing safety net program; general.** (a) Each manufacturer shall make
319.21 a patient assistance program available to any individual who meets the requirements of this
319.22 subdivision. Each manufacturer's patient assistance programs must meet the requirements
319.23 of this section. Each manufacturer shall provide the Board of Pharmacy with information
319.24 regarding the manufacturer's patient assistance program, including contact information for
319.25 individuals to call for assistance in accessing their patient assistance program.

319.26 (b) To be eligible to participate in a manufacturer's patient assistance program, the
319.27 individual must:

319.28 (1) be a Minnesota resident with a valid Minnesota identification card that indicates
319.29 Minnesota residency in the form of a Minnesota identification card, driver's license or
319.30 permit, individual taxpayer identification number, or Tribal identification card as defined
319.31 in section 171.072, paragraph (b). If the individual is under the age of 18, the individual's
319.32 parent or legal guardian must provide proof of residency;

320.1 (2) have a family income that is equal to or less than 400 percent of the federal poverty
320.2 guidelines;

320.3 (3) not be enrolled in medical assistance or MinnesotaCare;

320.4 (4) not be eligible to receive health care through a federally funded program or receive
320.5 prescription drug benefits through the Department of Veterans Affairs; and

320.6 (5) not be enrolled in prescription drug coverage through an individual or group health
320.7 plan that limits the total amount of cost-sharing that an enrollee is required to pay for a
320.8 30-day supply of insulin, including co-payments, deductibles, or coinsurance to \$75 or less,
320.9 regardless of the type or amount of insulin needed.

320.10 (c) Notwithstanding the requirement in paragraph (b), clause (4), an individual who is
320.11 enrolled in Medicare Part D is eligible for a manufacturer's patient assistance program if
320.12 the individual has spent \$1,000 on prescription drugs in the current calendar year and meets
320.13 the eligibility requirements in paragraph (b), clauses (1) to (3).

320.14 (d) An individual who is interested in participating in a manufacturer's patient assistance
320.15 program may apply directly to the manufacturer; apply through the individual's health care
320.16 practitioner, if the practitioner participates; or contact a trained navigator for assistance in
320.17 finding a long-term insulin supply solution, including assistance in applying to a
320.18 manufacturer's patient assistance program.

320.19 Sec. 30. Minnesota Statutes 2022, section 152.126, subdivision 4, is amended to read:

320.20 Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the following
320.21 data to the board or its designated vendor:

320.22 (1) name of the prescriber;

320.23 (2) national provider identifier of the prescriber;

320.24 (3) name of the dispenser;

320.25 (4) national provider identifier of the dispenser;

320.26 (5) prescription number;

320.27 (6) name of the patient for whom the prescription was written;

320.28 (7) address of the patient for whom the prescription was written;

320.29 (8) date of birth of the patient for whom the prescription was written;

320.30 (9) date the prescription was written;

321.1 (10) date the prescription was filled;

321.2 (11) name and strength of the controlled substance;

321.3 (12) quantity of controlled substance prescribed;

321.4 (13) quantity of controlled substance dispensed; and

321.5 (14) number of days supply.

321.6 (b) The dispenser must submit the required information by a procedure and in a format
321.7 established by the board. The board may allow dispensers to omit data listed in this
321.8 subdivision or may require the submission of data not listed in this subdivision provided
321.9 the omission or submission is necessary for the purpose of complying with the electronic
321.10 reporting or data transmission standards of the American Society for Automation in
321.11 Pharmacy, the National Council on Prescription Drug Programs, or other relevant national
321.12 standard-setting body.

321.13 (c) A dispenser is not required to submit this data for those controlled substance
321.14 prescriptions dispensed for:

321.15 (1) individuals residing in a health care facility as defined in section 151.58, subdivision
321.16 2, paragraph (b), when a drug is distributed through the use of an automated drug distribution
321.17 system according to section 151.58; ~~and~~

321.18 (2) individuals receiving a drug sample that was packaged by a manufacturer and provided
321.19 to the dispenser for dispensing as a professional sample pursuant to Code of Federal
321.20 Regulations, title 21, part 203, subpart D; and

321.21 (3) individuals whose prescriptions are being mailed, shipped, or delivered from
321.22 Minnesota to another state, so long as the data are reported to the prescription drug monitoring
321.23 program of that state.

321.24 (d) A dispenser must provide notice to the patient for whom the prescription was written
321.25 ~~a conspicuous notice~~, or to that patient's authorized representative, of the reporting
321.26 requirements of this section and notice that the information may be used for program
321.27 administration purposes.

321.28 (e) The dispenser must submit the required information within the time frame specified
321.29 by the board; if no reportable prescriptions are dispensed or sold on any day, a report
321.30 indicating that fact must be filed with the board.

321.31 (f) The dispenser must submit accurate information to the database and must correct
321.32 errors identified during the submission process within seven calendar days.

322.1 (g) For the purposes of this paragraph, the term "subject of the data" means the individual
322.2 reported as being the patient, the practitioner reported as being the prescriber, the client
322.3 when an animal is reported as being the patient, or an authorized agent of these individuals.
322.4 The dispenser must correct errors brought to its attention by the subject of the data within
322.5 seven calendar days, unless the dispenser verifies that an error did not occur and the data
322.6 were correctly submitted. The dispenser must notify the subject of the data that either the
322.7 error was corrected or that no error occurred.

322.8 Sec. 31. Minnesota Statutes 2022, section 152.126, subdivision 5, is amended to read:

322.9 **Subd. 5. Use of data by board.** (a) The board shall develop and maintain a database of
322.10 the data reported under subdivision 4. The board shall maintain data that could identify an
322.11 individual prescriber or dispenser in encrypted form. Except as otherwise allowed under
322.12 subdivision 6, the database may be used by permissible users identified under subdivision
322.13 6 for the identification of:

322.14 (1) individuals receiving prescriptions for controlled substances from prescribers who
322.15 subsequently obtain controlled substances from dispensers in quantities or with a frequency
322.16 inconsistent with generally recognized standards of use for those controlled substances,
322.17 including standards accepted by national and international pain management associations;
322.18 and

322.19 (2) individuals presenting forged or otherwise false or altered prescriptions for controlled
322.20 substances to dispensers.

322.21 (b) No permissible user identified under subdivision 6 may access the database for the
322.22 sole purpose of identifying prescribers of controlled substances for unusual or excessive
322.23 prescribing patterns without a valid search warrant or court order.

322.24 (c) No personnel of a state or federal occupational licensing board or agency may access
322.25 the database for the purpose of obtaining information to be used to initiate a disciplinary
322.26 action against a prescriber.

322.27 (d) Data reported under subdivision 4 shall be made available to permissible users for
322.28 a 12-month period beginning the day the data was received and ending 12 months from the
322.29 last day of the month in which the data was received, except that permissible users defined
322.30 in subdivision 6, paragraph (b), clauses ~~(6)~~ (7) and ~~(7)~~ (8), may use all data collected under
322.31 this section for the purposes of administering, operating, and maintaining the prescription
322.32 monitoring program and conducting trend analyses and other studies necessary to evaluate
322.33 the effectiveness of the program.

323.1 (e) Data reported during the period January 1, 2015, through December 31, 2018, may
323.2 be retained through December 31, 2019, in an identifiable manner. Effective January 1,
323.3 2020, data older than 24 months must be destroyed. Data reported for prescriptions dispensed
323.4 on or after January 1, 2020, must be destroyed no later than 12 months from the date the
323.5 data prescription was received reported as dispensed.

323.6 Sec. 32. Minnesota Statutes 2022, section 152.126, subdivision 6, is amended to read:

323.7 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision,
323.8 the data submitted to the board under subdivision 4 is private data on individuals as defined
323.9 in section 13.02, subdivision 12, and not subject to public disclosure.

323.10 (b) Except as specified in subdivision 5, the following persons shall be considered
323.11 permissible users and may access the data submitted under subdivision 4 in the same or
323.12 similar manner, and for the same or similar purposes, as those persons who are authorized
323.13 to access similar private data on individuals under federal and state law:

323.14 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
323.15 delegated the task of accessing the data, to the extent the information relates specifically to
323.16 a current patient, to whom the prescriber is:

323.17 (i) prescribing or considering prescribing any controlled substance;

323.18 (ii) providing emergency medical treatment for which access to the data may be necessary;

323.19 (iii) providing care, and the prescriber has reason to believe, based on clinically valid
323.20 indications, that the patient is potentially abusing a controlled substance; or

323.21 (iv) providing other medical treatment for which access to the data may be necessary
323.22 for a clinically valid purpose and the patient has consented to access to the submitted data,
323.23 and with the provision that the prescriber remains responsible for the use or misuse of data
323.24 accessed by a delegated agent or employee;

323.25 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
323.26 delegated the task of accessing the data, to the extent the information relates specifically to
323.27 a current patient to whom that dispenser is dispensing or considering dispensing any
323.28 controlled substance and with the provision that the dispenser remains responsible for the
323.29 use or misuse of data accessed by a delegated agent or employee;

323.30 (3) a licensed dispensing practitioner or licensed pharmacist to the extent necessary to
323.31 determine whether corrections made to the data reported under subdivision 4 are accurate;

324.1 (4) a licensed pharmacist who is providing pharmaceutical care for which access to the
324.2 data may be necessary to the extent that the information relates specifically to a current
324.3 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has
324.4 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber
324.5 who is requesting data in accordance with clause (1);

324.6 ~~(4)~~ (5) an individual who is the recipient of a controlled substance prescription for which
324.7 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian
324.8 of a minor, or health care agent of the individual acting under a health care directive under
324.9 chapter 145C. For purposes of this clause, access by individuals includes persons in the
324.10 definition of an individual under section 13.02;

324.11 ~~(5)~~ (6) personnel or designees of a health-related licensing board listed in section 214.01,
324.12 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct
324.13 a bona fide investigation of a complaint received by that board that alleges that a specific
324.14 licensee is impaired by use of a drug for which data is collected under subdivision 4, has
324.15 engaged in activity that would constitute a crime as defined in section 152.025, or has
324.16 engaged in the behavior specified in subdivision 5, paragraph (a);

324.17 ~~(6)~~ (7) personnel of the board engaged in the collection, review, and analysis of controlled
324.18 substance prescription information as part of the assigned duties and responsibilities under
324.19 this section;

324.20 ~~(7)~~ (8) authorized personnel ~~of a vendor~~ under contract with the board, or under contract
324.21 with the state of Minnesota and approved by the board, who are engaged in the design,
324.22 evaluation, implementation, operation, and or maintenance of the prescription monitoring
324.23 program as part of the assigned duties and responsibilities of their employment, provided
324.24 that access to data is limited to the minimum amount necessary to carry out such duties and
324.25 responsibilities, and subject to the requirement of de-identification and time limit on retention
324.26 of data specified in subdivision 5, paragraphs (d) and (e);

324.27 ~~(8)~~ (9) federal, state, and local law enforcement authorities acting pursuant to a valid
324.28 search warrant;

324.29 ~~(9)~~ (10) personnel of the Minnesota health care programs assigned to use the data
324.30 collected under this section to identify and manage recipients whose usage of controlled
324.31 substances may warrant restriction to a single primary care provider, a single outpatient
324.32 pharmacy, and a single hospital;

324.33 ~~(10)~~ (11) personnel of the Department of Human Services assigned to access the data
324.34 pursuant to paragraph (k);

325.1 ~~(11)~~(12) personnel of the health professionals services program established under section
325.2 214.31, to the extent that the information relates specifically to an individual who is currently
325.3 enrolled in and being monitored by the program, and the individual consents to access to
325.4 that information. The health professionals services program personnel shall not provide this
325.5 data to a health-related licensing board or the Emergency Medical Services Regulatory
325.6 Board, except as permitted under section 214.33, subdivision 3; ~~and~~

325.7 ~~(12)~~(13) personnel or designees of a health-related licensing board other than the Board
325.8 of Pharmacy listed in section 214.01, subdivision 2, assigned to conduct a bona fide
325.9 investigation of a complaint received by that board that alleges that a specific licensee is
325.10 inappropriately prescribing controlled substances as defined in this section. For the purposes
325.11 of this clause, the health-related licensing board may also obtain utilization data; and

325.12 (14) personnel of the board specifically assigned to conduct a bona fide investigation
325.13 of a specific licensee or registrant. For the purposes of this clause, the board may also obtain
325.14 utilization data.

325.15 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed
325.16 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe
325.17 controlled substances for humans and who holds a current registration issued by the federal
325.18 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing
325.19 within the state, shall register and maintain a user account with the prescription monitoring
325.20 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration
325.21 application process, other than their name, license number, and license type, is classified
325.22 as private pursuant to section 13.02, subdivision 12.

325.23 (d) Notwithstanding paragraph (b), beginning January 1, 2021, a prescriber or an agent
325.24 or employee of the prescriber to whom the prescriber has delegated the task of accessing
325.25 the data, must access the data submitted under subdivision 4 to the extent the information
325.26 relates specifically to the patient:

325.27 (1) before the prescriber issues an initial prescription order for a Schedules II through
325.28 IV opiate controlled substance to the patient; and

325.29 (2) at least once every three months for patients receiving an opiate for treatment of
325.30 chronic pain or participating in medically assisted treatment for an opioid addiction.

325.31 (e) Paragraph (d) does not apply if:

325.32 (1) the patient is receiving palliative care, or hospice or other end-of-life care;

325.33 (2) the patient is being treated for pain due to cancer or the treatment of cancer;

326.1 (3) the prescription order is for a number of doses that is intended to last the patient five
326.2 days or less and is not subject to a refill;

326.3 (4) the prescriber and patient have a current or ongoing provider/patient relationship of
326.4 a duration longer than one year;

326.5 (5) the prescription order is issued within 14 days following surgery or three days
326.6 following oral surgery or follows the prescribing protocols established under the opioid
326.7 prescribing improvement program under section 256B.0638;

326.8 (6) the controlled substance is prescribed or administered to a patient who is admitted
326.9 to an inpatient hospital;

326.10 (7) the controlled substance is lawfully administered by injection, ingestion, or any other
326.11 means to the patient by the prescriber, a pharmacist, or by the patient at the direction of a
326.12 prescriber and in the presence of the prescriber or pharmacist;

326.13 (8) due to a medical emergency, it is not possible for the prescriber to review the data
326.14 before the prescriber issues the prescription order for the patient; or

326.15 (9) the prescriber is unable to access the data due to operational or other technological
326.16 failure of the program so long as the prescriber reports the failure to the board.

326.17 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), ~~(6)~~ (4), (7),
326.18 ~~(9)~~, and (8), (10), and (11), may directly access the data electronically. No other permissible
326.19 users may directly access the data electronically. If the data is directly accessed electronically,
326.20 the permissible user shall implement and maintain a comprehensive information security
326.21 program that contains administrative, technical, and physical safeguards that are appropriate
326.22 to the user's size and complexity, and the sensitivity of the personal information obtained.
326.23 The permissible user shall identify reasonably foreseeable internal and external risks to the
326.24 security, confidentiality, and integrity of personal information that could result in the
326.25 unauthorized disclosure, misuse, or other compromise of the information and assess the
326.26 sufficiency of any safeguards in place to control the risks.

326.27 (g) The board shall not release data submitted under subdivision 4 unless it is provided
326.28 with evidence, satisfactory to the board, that the person requesting the information is entitled
326.29 to receive the data.

326.30 (h) The board shall maintain a log of all persons who access the data for a period of at
326.31 least three years and shall ensure that any permissible user complies with paragraph (c)
326.32 prior to attaining direct access to the data.

327.1 (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant
327.2 to subdivision 2. A vendor shall not use data collected under this section for any purpose
327.3 not specified in this section.

327.4 (j) The board may participate in an interstate prescription monitoring program data
327.5 exchange system provided that permissible users in other states have access to the data only
327.6 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract
327.7 or memorandum of understanding that the board enters into under this paragraph.

327.8 (k) With available appropriations, the commissioner of human services shall establish
327.9 and implement a system through which the Department of Human Services shall routinely
327.10 access the data for the purpose of determining whether any client enrolled in an opioid
327.11 treatment program licensed according to chapter 245A has been prescribed or dispensed a
327.12 controlled substance in addition to that administered or dispensed by the opioid treatment
327.13 program. When the commissioner determines there have been multiple prescribers or multiple
327.14 prescriptions of controlled substances, the commissioner shall:

327.15 (1) inform the medical director of the opioid treatment program only that the
327.16 commissioner determined the existence of multiple prescribers or multiple prescriptions of
327.17 controlled substances; and

327.18 (2) direct the medical director of the opioid treatment program to access the data directly,
327.19 review the effect of the multiple prescribers or multiple prescriptions, and document the
327.20 review.

327.21 If determined necessary, the commissioner of human services shall seek a federal waiver
327.22 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section
327.23 2.34, paragraph (c), prior to implementing this paragraph.

327.24 (l) The board shall review the data submitted under subdivision 4 on at least a quarterly
327.25 basis and shall establish criteria, in consultation with the advisory task force, for referring
327.26 information about a patient to prescribers and dispensers who prescribed or dispensed the
327.27 prescriptions in question if the criteria are met.

327.28 (m) The board shall conduct random audits, on at least a quarterly basis, of electronic
327.29 access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), ~~(4)~~, (7),
327.30 ~~(9)~~, and (8), (10), and (11), to the data in subdivision 4, to ensure compliance with permissible
327.31 use as defined in this section. A permissible user whose account has been selected for a
327.32 random audit shall respond to an inquiry by the board, no later than 30 days after receipt of
327.33 notice that an audit is being conducted. Failure to respond may result in deactivation of
327.34 access to the electronic system and referral to the appropriate health licensing board, or the

328.1 commissioner of human services, for further action. The board shall report the results of
 328.2 random audits to the chairs and ranking minority members of the legislative committees
 328.3 with jurisdiction over health and human services policy and finance and government data
 328.4 practices.

328.5 (n) A permissible user who has delegated the task of accessing the data in subdivision
 328.6 4 to an agent or employee shall audit the use of the electronic system by delegated agents
 328.7 or employees on at least a quarterly basis to ensure compliance with permissible use as
 328.8 defined in this section. When a delegated agent or employee has been identified as
 328.9 inappropriately accessing data, the permissible user must immediately remove access for
 328.10 that individual and notify the board within seven days. The board shall notify all permissible
 328.11 users associated with the delegated agent or employee of the alleged violation.

328.12 (o) A permissible user who delegates access to the data submitted under subdivision 4
 328.13 to an agent or employee shall terminate that individual's access to the data within three
 328.14 business days of the agent or employee leaving employment with the permissible user. The
 328.15 board may conduct random audits to determine compliance with this requirement.

328.16 Sec. 33. **[245A.245] CHILDREN'S RESIDENTIAL FACILITY SUBSTANCE USE**
 328.17 **DISORDER TREATMENT PROGRAMS.**

328.18 Subdivision 1. **Applicability.** A license holder of a children's residential facility substance
 328.19 use disorder treatment program license issued under this chapter and Minnesota Rules, parts
 328.20 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, must comply with this section.

328.21 Subd. 2. **Former students.** (a) "Alcohol and drug counselor" means an individual
 328.22 qualified according to Minnesota Rules, part 2960.0460, subpart 5.

328.23 (b) "Former student" means an individual that meets the requirements in section 148F.11,
 328.24 subdivision 2a, to practice as a former student.

328.25 (c) An alcohol and drug counselor must supervise and be responsible for a treatment
 328.26 service performed by a former student and must review and sign each assessment, individual
 328.27 treatment plan, progress note, and treatment plan review prepared by a former student.

328.28 (d) A former student must receive the orientation and training required for permanent
 328.29 staff members.

329.1 Sec. 34. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision
329.2 to read:

329.3 Subd. 13c. Former student. "Former student" means a staff person that meets the
329.4 requirements in section 148F.11, subdivision 2a, to practice as a former student.

329.5 Sec. 35. Minnesota Statutes 2022, section 245G.11, subdivision 10, is amended to read:

329.6 Subd. 10. Student interns and former students. (a) A qualified staff member must
329.7 supervise and be responsible for a treatment service performed by a student intern and must
329.8 review and sign each assessment, individual treatment plan, and treatment plan review
329.9 prepared by a student intern.

329.10 (b) An alcohol and drug counselor must supervise and be responsible for a treatment
329.11 service performed by a former student and must review and sign each assessment, individual
329.12 treatment plan, and treatment plan review prepared by the former student.

329.13 (c) A student intern or former student must receive the orientation and training required
329.14 in section 245G.13, subdivisions 1, clause (7), and 2. No more than 50 percent of the
329.15 treatment staff may be students, former students, or licensing candidates with time
329.16 documented to be directly related to the provision of treatment services for which the staff
329.17 are authorized.

329.18 Sec. 36. REPEALER.

329.19 Minnesota Rules, parts 5610.0100; 5610.0200; and 5610.0300, are repealed.

329.20 ARTICLE 7

329.21 BACKGROUND STUDIES

329.22 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 4, is amended to read:

329.23 **Subd. 4. Licensing data.** (a) As used in this subdivision:

329.24 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
329.25 welfare system pertaining to persons licensed or registered or who apply for licensure or
329.26 registration or who formerly were licensed or registered under the authority of the
329.27 commissioner of human services;

329.28 (2) "client" means a person who is receiving services from a licensee or from an applicant
329.29 for licensure; and

330.1 (3) "personal and personal financial data" are Social Security numbers, identity of and
330.2 letters of reference, insurance information, reports from the Bureau of Criminal
330.3 Apprehension, health examination reports, and social/home studies.

330.4 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
330.5 holders, and former licensees are public: name, address, telephone number of licensees,
330.6 date of receipt of a completed application, dates of licensure, licensed capacity, type of
330.7 client preferred, variances granted, record of training and education in child care and child
330.8 development, type of dwelling, name and relationship of other family members, previous
330.9 license history, class of license, the existence and status of complaints, and the number of
330.10 serious injuries to or deaths of individuals in the licensed program as reported to the
330.11 commissioner of human services, the local social services agency, or any other county
330.12 welfare agency. For purposes of this clause, a serious injury is one that is treated by a
330.13 physician.

330.14 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
330.15 an order of license suspension, an order of temporary immediate suspension, an order of
330.16 license revocation, an order of license denial, or an order of conditional license has been
330.17 issued, or a complaint is resolved, the following data on current and former licensees and
330.18 applicants are public: the general nature of the complaint or allegations leading to the
330.19 temporary immediate suspension; the substance and investigative findings of the licensing
330.20 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
330.21 of settlement negotiations; the record of informal resolution of a licensing violation; orders
330.22 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
330.23 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
330.24 contained in the record of licensing action; whether a fine has been paid; and the status of
330.25 any appeal of these actions.

330.26 (iii) When a license denial under section 245A.05 or a sanction under section 245A.07
330.27 is based on a determination that a license holder, applicant, or controlling individual is
330.28 responsible for maltreatment under section 626.557 or chapter 260E, the identity of the
330.29 applicant, license holder, or controlling individual as the individual responsible for
330.30 maltreatment is public data at the time of the issuance of the license denial or sanction.

330.31 (iv) When a license denial under section 245A.05 or a sanction under section 245A.07
330.32 is based on a determination that a license holder, applicant, or controlling individual is
330.33 disqualified under chapter 245C, the identity of the license holder, applicant, or controlling
330.34 individual as the disqualified individual ~~and the reason for the disqualification are~~ is public
330.35 data at the time of the issuance of the licensing sanction or denial. If the applicant, license

331.1 holder, or controlling individual requests reconsideration of the disqualification and the
331.2 disqualification is affirmed, the reason for the disqualification and the reason to not set aside
331.3 the disqualification are ~~public~~ private data.

331.4 (v) A correction order or fine issued to a child care provider for a licensing violation is
331.5 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
331.6 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

331.7 (2) For applicants who withdraw their application prior to licensure or denial of a license,
331.8 the following data are public: the name of the applicant, the city and county in which the
331.9 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
331.10 application and completed application, the type of license sought, and the date of withdrawal
331.11 of the application.

331.12 (3) For applicants who are denied a license, the following data are public: the name and
331.13 address of the applicant, the city and county in which the applicant was seeking licensure,
331.14 the dates of the commissioner's receipt of the initial application and completed application,
331.15 the type of license sought, the date of denial of the application, the nature of the basis for
331.16 the denial, the existence of settlement negotiations, the record of informal resolution of a
331.17 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
331.18 order of denial, and the status of any appeal of the denial.

331.19 (4) When maltreatment is substantiated under section 626.557 or chapter 260E and the
331.20 victim and the substantiated perpetrator are affiliated with a program licensed under chapter
331.21 245A, the commissioner of human services, local social services agency, or county welfare
331.22 agency may inform the license holder where the maltreatment occurred of the identity of
331.23 the substantiated perpetrator and the victim.

331.24 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
331.25 and the status of the license are public if the county attorney has requested that data otherwise
331.26 classified as public data under clause (1) be considered private data based on the best interests
331.27 of a child in placement in a licensed program.

331.28 (c) The following are private data on individuals under section 13.02, subdivision 12,
331.29 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
331.30 on family day care program and family foster care program applicants and licensees and
331.31 their family members who provide services under the license.

331.32 (d) The following are private data on individuals: the identity of persons who have made
331.33 reports concerning licensees or applicants that appear in inactive investigative data, and the
331.34 records of clients or employees of the licensee or applicant for licensure whose records are

332.1 received by the licensing agency for purposes of review or in anticipation of a contested
332.2 matter. The names of reporters of complaints or alleged violations of licensing standards
332.3 under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment
332.4 under section 626.557 and chapter 260E, are confidential data and may be disclosed only
332.5 as provided in section 260E.21, subdivision 4; 260E.35; or 626.557, subdivision 12b.

332.6 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
332.7 subdivision become public data if submitted to a court or administrative law judge as part
332.8 of a disciplinary proceeding in which there is a public hearing concerning a license which
332.9 has been suspended, immediately suspended, revoked, or denied.

332.10 (f) Data generated in the course of licensing investigations that relate to an alleged
332.11 violation of law are investigative data under subdivision 3.

332.12 (g) Data that are not public data collected, maintained, used, or disseminated under this
332.13 subdivision that relate to or are derived from a report as defined in section 260E.03, or
332.14 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35,
332.15 subdivision 6, and 626.557, subdivision 12b.

332.16 (h) Upon request, not public data collected, maintained, used, or disseminated under
332.17 this subdivision that relate to or are derived from a report of substantiated maltreatment as
332.18 defined in section 626.557 or chapter 260E may be exchanged with the Department of
332.19 Health for purposes of completing background studies pursuant to section 144.057 and with
332.20 the Department of Corrections for purposes of completing background studies pursuant to
332.21 section 241.021.

332.22 (i) Data on individuals collected according to licensing activities under chapters 245A
332.23 and 245C, data on individuals collected by the commissioner of human services according
332.24 to investigations under section 626.557 and chapters 245A, 245B, 245C, 245D, and 260E
332.25 may be shared with the Department of Human Rights, the Department of Health, the
332.26 Department of Corrections, the ombudsman for mental health and developmental disabilities,
332.27 and the individual's professional regulatory board when there is reason to believe that laws
332.28 or standards under the jurisdiction of those agencies may have been violated or the
332.29 information may otherwise be relevant to the board's regulatory jurisdiction. Background
332.30 study data on an individual who is the subject of a background study under chapter 245C
332.31 for a licensed service for which the commissioner of human services is the license holder
332.32 may be shared with the commissioner and the commissioner's delegate by the licensing
332.33 division. Unless otherwise specified in this chapter, the identity of a reporter of alleged
332.34 maltreatment or licensing violations may not be disclosed.

333.1 (j) In addition to the notice of determinations required under sections 260E.24,
333.2 subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the
333.3 commissioner or the local social services agency has determined that an individual is a
333.4 substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in
333.5 section 260E.03, and the commissioner or local social services agency knows that the
333.6 individual is a person responsible for a child's care in another facility, the commissioner or
333.7 local social services agency shall notify the head of that facility of this determination. The
333.8 notification must include an explanation of the individual's available appeal rights and the
333.9 status of any appeal. If a notice is given under this paragraph, the government entity making
333.10 the notification shall provide a copy of the notice to the individual who is the subject of the
333.11 notice.

333.12 (k) All not public data collected, maintained, used, or disseminated under this subdivision
333.13 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
333.14 Division, and the Department of Corrections for purposes of regulating services for which
333.15 the Department of Human Services and the Department of Corrections have regulatory
333.16 authority.

333.17 Sec. 2. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to
333.18 read:

333.19 Subd. 7a. **Conservator.** "Conservator" has the meaning given in section 524.1-201,
333.20 clause (10), and includes proposed and current conservators.

333.21 Sec. 3. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to
333.22 read:

333.23 Subd. 11g. **Guardian.** "Guardian" has the meaning given in section 524.1-201, clause
333.24 (27), and includes proposed and current guardians.

333.25 Sec. 4. Minnesota Statutes 2022, section 245C.02, subdivision 13e, is amended to read:

333.26 Subd. 13e. **NETStudy 2.0.** "NETStudy 2.0" means the commissioner's system that
333.27 replaces both NETStudy and the department's internal background study processing system.
333.28 NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by
333.29 improving the accuracy of background studies through fingerprint-based criminal record
333.30 checks and expanding the background studies to include a review of information from the
333.31 Minnesota Court Information System and the national crime information database. NETStudy
333.32 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

334.1 (1) providing access to and updates from public web-based data related to employment
334.2 eligibility;

334.3 (2) decreasing the need for repeat studies through electronic updates of background
334.4 study subjects' criminal records;

334.5 (3) supporting identity verification using subjects' Social Security numbers and
334.6 photographs;

334.7 (4) using electronic employer notifications; ~~and~~

334.8 (5) issuing immediate verification of subjects' eligibility to provide services as more
334.9 studies are completed under the NETStudy 2.0 system; and

334.10 (6) providing electronic access to certain notices for entities and background study
334.11 subjects.

334.12 Sec. 5. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

334.13 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background
334.14 study on:

334.15 (1) the person or persons applying for a license;

334.16 (2) an individual age 13 and over living in the household where the licensed program
334.17 will be provided who is not receiving licensed services from the program;

334.18 (3) current or prospective employees ~~or contractors~~ of the applicant or license holder
334.19 who will have direct contact with persons served by the facility, agency, or program;

334.20 (4) volunteers or student volunteers who will have direct contact with persons served
334.21 by the program to provide program services if the contact is not under the continuous, direct
334.22 supervision by an individual listed in clause (1) or (3);

334.23 (5) an individual age ten to 12 living in the household where the licensed services will
334.24 be provided when the commissioner has reasonable cause as defined in section 245C.02,
334.25 subdivision 15;

334.26 (6) an individual who, without providing direct contact services at a licensed program,
334.27 may have unsupervised access to children or vulnerable adults receiving services from a
334.28 program, when the commissioner has reasonable cause as defined in section 245C.02,
334.29 subdivision 15;

334.30 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

335.1 (8) notwithstanding the other requirements in this subdivision, child care background
335.2 study subjects as defined in section 245C.02, subdivision 6a; and

335.3 (9) notwithstanding clause (3), for children's residential facilities and foster residence
335.4 settings, any adult working in the facility, whether or not the individual will have direct
335.5 contact with persons served by the facility.

335.6 (b) For child foster care when the license holder resides in the home where foster care
335.7 services are provided, a short-term substitute caregiver providing direct contact services for
335.8 a child for less than 72 hours of continuous care is not required to receive a background
335.9 study under this chapter.

335.10 (c) This subdivision applies to the following programs that must be licensed under
335.11 chapter 245A:

335.12 (1) adult foster care;

335.13 (2) child foster care;

335.14 (3) children's residential facilities;

335.15 (4) family child care;

335.16 (5) licensed child care centers;

335.17 (6) licensed home and community-based services under chapter 245D;

335.18 (7) residential mental health programs for adults;

335.19 (8) substance use disorder treatment programs under chapter 245G;

335.20 (9) withdrawal management programs under chapter 245F;

335.21 (10) adult day care centers;

335.22 (11) family adult day services;

335.23 ~~(12) independent living assistance for youth;~~

335.24 ~~(13)~~ (12) detoxification programs;

335.25 ~~(14)~~ (13) community residential settings; ~~and~~

335.26 ~~(15)~~ (14) intensive residential treatment services and residential crisis stabilization under
335.27 chapter 245I; and

335.28 (15) treatment programs for persons with sexual psychopathic personality or sexually
335.29 dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts
335.30 9515.3000 to 9515.3110.

336.1 **EFFECTIVE DATE.** The changes to paragraph (a) are effective July 1, 2023; the
336.2 change to paragraph (c), clause (12), is effective the day following final enactment; and the
336.3 new paragraph (c), clause (15), is effective January 1, 2024.

336.4 Sec. 6. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

336.5 Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this
336.6 section to have or initiate background studies shall comply with the requirements of this
336.7 chapter.

336.8 (b) All studies conducted under this section shall be conducted according to sections
336.9 299C.60 to 299C.64. This requirement does not apply to subdivisions 1, paragraph (c),
336.10 clauses (2) to (5), and 6a.

336.11 (c) All data obtained by the commissioner for a background study completed under this
336.12 section is classified as private data on individuals, as defined in section 13.02, subdivision
336.13 12.

336.14 Sec. 7. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

336.15 Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct
336.16 an alternative background study of individuals listed in this section.

336.17 (b) Notwithstanding other sections of this chapter, all alternative background studies
336.18 except subdivision 12 shall be conducted according to this section and with sections 299C.60
336.19 to 299C.64.

336.20 (c) All terms in this section shall have the definitions provided in section 245C.02.

336.21 (d) The entity that submits an alternative background study request under this section
336.22 shall submit the request to the commissioner according to section 245C.05.

336.23 (e) The commissioner shall comply with the destruction requirements in section 245C.051.

336.24 (f) Background studies conducted under this section are subject to the provisions of
336.25 section 245C.32.

336.26 (g) The commissioner shall forward all information that the commissioner receives under
336.27 section 245C.08 to the entity that submitted the alternative background study request under
336.28 subdivision 2. The commissioner shall not make any eligibility determinations regarding
336.29 background studies conducted under this section.

337.1 (h) All data obtained by the commissioner for a background study completed under this
337.2 section is classified as private data on individuals, as defined in section 13.02, subdivision
337.3 12.

337.4 **Sec. 8. [245C.033] GUARDIANS AND CONSERVATORS; MALTREATMENT**
337.5 **AND STATE LICENSING AGENCY CHECKS.**

337.6 Subdivision 1. **Maltreatment data.** Requests for maltreatment data submitted pursuant
337.7 to section 524.5-118 must include information regarding whether the guardian or conservator
337.8 has been a perpetrator of substantiated maltreatment of a vulnerable adult under section
337.9 626.557 or a minor under chapter 260E. If the guardian or conservator has been the
337.10 perpetrator of substantiated maltreatment of a vulnerable adult or a minor, the commissioner
337.11 must include a copy of any available public portion of the investigation memorandum under
337.12 section 626.557, subdivision 12b, or any available public portion of the investigation
337.13 memorandum under section 260E.30.

337.14 Subd. 2. **State licensing agency data.** (a) Requests for state licensing agency data
337.15 submitted pursuant to section 524.5-118 must include information from a check of state
337.16 licensing agency records.

337.17 (b) The commissioner shall provide the court with licensing agency data for licenses
337.18 directly related to the responsibilities of a guardian or conservator if the guardian or
337.19 conservator has a current or prior affiliation with the:

337.20 (1) Lawyers Responsibility Board;

337.21 (2) State Board of Accountancy;

337.22 (3) Board of Social Work;

337.23 (4) Board of Psychology;

337.24 (5) Board of Nursing;

337.25 (6) Board of Medical Practice;

337.26 (7) Department of Education;

337.27 (8) Department of Commerce;

337.28 (9) Board of Chiropractic Examiners;

337.29 (10) Board of Dentistry;

337.30 (11) Board of Marriage and Family Therapy;

338.1 (12) Department of Human Services;

338.2 (13) Peace Officer Standards and Training (POST) Board; or

338.3 (14) Professional Educator Licensing and Standards Board.

338.4 (c) The commissioner shall provide to the court the electronically available data
 338.5 maintained in the agency's database, including whether the guardian or conservator is or
 338.6 has been licensed by the agency and whether a disciplinary action or a sanction against the
 338.7 individual's license, including a condition, suspension, revocation, or cancellation, is in the
 338.8 licensing agency's database.

338.9 Subd. 3. **Procedure; maltreatment and state licensing agency data.** Requests for
 338.10 maltreatment and state licensing agency data checks must be submitted by the guardian or
 338.11 conservator to the commissioner on the form or in the manner prescribed by the
 338.12 commissioner. Upon receipt of a signed informed consent and payment under section
 338.13 245C.10, the commissioner shall complete the maltreatment and state licensing agency
 338.14 checks. Upon completion of the checks, the commissioner shall provide the requested
 338.15 information to the courts on the form or in the manner prescribed by the commissioner.

338.16 Subd. 4. **Classification of maltreatment and state licensing agency data; access to**
 338.17 **information.** All data obtained by the commissioner for maltreatment and state licensing
 338.18 agency checks completed under this section is classified as private data on individuals, as
 338.19 defined in section 13.02, subdivision 12.

338.20 Sec. 9. Minnesota Statutes 2022, section 245C.04, subdivision 1, is amended to read:

338.21 **Subdivision 1. Licensed programs; other child care programs.** (a) The commissioner
 338.22 shall conduct a background study of an individual required to be studied under section
 338.23 245C.03, subdivision 1, at least upon application for initial license for all license types.

338.24 (b) The commissioner shall conduct a background study of an individual required to be
 338.25 studied under section 245C.03, subdivision 1, including a child care background study
 338.26 subject as defined in section 245C.02, subdivision 6a, in a family child care program, licensed
 338.27 child care center, certified license-exempt child care center, or legal nonlicensed child care
 338.28 provider, on a schedule determined by the commissioner. Except as provided in section
 338.29 245C.05, subdivision 5a, a child care background study must include submission of
 338.30 fingerprints for a national criminal history record check and a review of the information
 338.31 under section 245C.08. A background study for a child care program must be repeated
 338.32 within five years from the most recent study conducted under this paragraph.

339.1 (c) At reauthorization or when a new background study is needed under section 119B.125,
 339.2 subdivision 1a, for a legal nonlicensed child care provider authorized under chapter 119B:

339.3 (1) for a background study affiliated with a legal nonlicensed child care provider, the
 339.4 individual shall provide information required under section 245C.05, subdivision 1,
 339.5 paragraphs (a), (b), and (d), to the commissioner and be fingerprinted and photographed
 339.6 under section 245C.05, subdivision 5; and

339.7 (2) the commissioner shall verify the information received under clause (1) and submit
 339.8 the request in NETStudy 2.0 to complete the background study.

339.9 ~~(e)~~ (d) At reapplication for a family child care license:

339.10 (1) for a background study affiliated with a licensed family child care center ~~or legal~~
 339.11 ~~nonlicensed child care provider~~, the individual shall provide information required under
 339.12 section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be
 339.13 fingerprinted and photographed under section 245C.05, subdivision 5;

339.14 (2) the county agency shall verify the information received under clause (1) and forward
 339.15 the information to the commissioner and submit the request in NETStudy 2.0 to complete
 339.16 the background study; and

339.17 (3) the background study conducted by the commissioner under this paragraph must
 339.18 include a review of the information required under section 245C.08.

339.19 ~~(d)~~ (e) The commissioner is not required to conduct a study of an individual at the time
 339.20 of reapplication for a license if the individual's background study was completed by the
 339.21 commissioner of human services and the following conditions are met:

339.22 (1) a study of the individual was conducted either at the time of initial licensure or when
 339.23 the individual became affiliated with the license holder;

339.24 (2) the individual has been continuously affiliated with the license holder since the last
 339.25 study was conducted; and

339.26 (3) the last study of the individual was conducted on or after October 1, 1995.

339.27 ~~(e)~~ (f) The commissioner of human services shall conduct a background study of an
 339.28 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),
 339.29 who is newly affiliated with a child foster family setting license holder:

339.30 (1) the county or private agency shall collect and forward to the commissioner the
 339.31 information required under section 245C.05, subdivisions 1 and 5, when the child foster

340.1 family setting applicant or license holder resides in the home where child foster care services
340.2 are provided; and

340.3 (2) the background study conducted by the commissioner of human services under this
340.4 paragraph must include a review of the information required under section 245C.08,
340.5 subdivisions 1, 3, and 4.

340.6 ~~(f)~~ (g) The commissioner shall conduct a background study of an individual specified
340.7 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated
340.8 with an adult foster care or family adult day services and with a family child care license
340.9 holder or a legal nonlicensed child care provider authorized under chapter 119B and:

340.10 (1) except as provided in section 245C.05, subdivision 5a, the county shall collect and
340.11 forward to the commissioner the information required under section 245C.05, subdivision
340.12 1, paragraphs (a) and (b), and subdivision 5, paragraph (b), for background studies conducted
340.13 by the commissioner for all family adult day services, for adult foster care when the adult
340.14 foster care license holder resides in the adult foster care residence, and for family child care
340.15 and legal nonlicensed child care authorized under chapter 119B;

340.16 (2) the license holder shall collect and forward to the commissioner the information
340.17 required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs
340.18 (a) and (b), for background studies conducted by the commissioner for adult foster care
340.19 when the license holder does not reside in the adult foster care residence; and

340.20 (3) the background study conducted by the commissioner under this paragraph must
340.21 include a review of the information required under section 245C.08, subdivision 1, paragraph
340.22 (a), and subdivisions 3 and 4.

340.23 ~~(g)~~ (h) Applicants for licensure, license holders, and other entities as provided in this
340.24 chapter must submit completed background study requests to the commissioner using the
340.25 electronic system known as NETStudy before individuals specified in section 245C.03,
340.26 subdivision 1, begin positions allowing direct contact in any licensed program.

340.27 ~~(h)~~ (i) For an individual who is not on the entity's active roster, the entity must initiate
340.28 a new background study through NETStudy when:

340.29 (1) an individual returns to a position requiring a background study following an absence
340.30 of 120 or more consecutive days; or

340.31 (2) a program that discontinued providing licensed direct contact services for 120 or
340.32 more consecutive days begins to provide direct contact licensed services again.

341.1 The license holder shall maintain a copy of the notification provided to the commissioner
 341.2 under this paragraph in the program's files. If the individual's disqualification was previously
 341.3 set aside for the license holder's program and the new background study results in no new
 341.4 information that indicates the individual may pose a risk of harm to persons receiving
 341.5 services from the license holder, the previous set-aside shall remain in effect.

341.6 ~~(i)~~ (j) For purposes of this section, a physician licensed under chapter 147, advanced
 341.7 practice registered nurse licensed under chapter 148, or physician assistant licensed under
 341.8 chapter 147A is considered to be continuously affiliated upon the license holder's receipt
 341.9 from the commissioner of health or human services of the physician's, advanced practice
 341.10 registered nurse's, or physician assistant's background study results.

341.11 ~~(j)~~ (k) For purposes of family child care, a substitute caregiver must receive repeat
 341.12 background studies at the time of each license renewal.

341.13 ~~(k)~~ (l) A repeat background study at the time of license renewal is not required if the
 341.14 family child care substitute caregiver's background study was completed by the commissioner
 341.15 on or after October 1, 2017, and the substitute caregiver is on the license holder's active
 341.16 roster in NETStudy 2.0.

341.17 ~~(l)~~ (m) Before and after school programs authorized under chapter 119B, are exempt
 341.18 from the background study requirements under section 123B.03, for an employee for whom
 341.19 a background study under this chapter has been completed.

341.20 **EFFECTIVE DATE.** This section is effective April 28, 2025.

341.21 Sec. 10. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

341.22 Subdivision 1. **Individual studied.** (a) The individual who is the subject of the
 341.23 background study must provide the applicant, license holder, or other entity under section
 341.24 245C.04 with sufficient information to ensure an accurate study, including:

341.25 (1) the individual's first, middle, and last name and all other names by which the
 341.26 individual has been known;

341.27 (2) current home address, city, and state of residence;

341.28 (3) current zip code;

341.29 (4) sex;

341.30 (5) date of birth;

342.1 (6) driver's license number or state identification number or, for those without a driver's
342.2 license or state identification card, an acceptable form of identification as determined by
342.3 the commissioner; and

342.4 (7) upon implementation of NETStudy 2.0, the home address, city, county, and state of
342.5 residence for the past five years.

342.6 (b) Every subject of a background study conducted or initiated by counties or private
342.7 agencies under this chapter must also provide the home address, city, county, and state of
342.8 residence for the past five years.

342.9 (c) Every subject of a background study related to private agency adoptions or related
342.10 to child foster care licensed through a private agency, who is 18 years of age or older, shall
342.11 also provide the commissioner a signed consent for the release of any information received
342.12 from national crime information databases to the private agency that initiated the background
342.13 study.

342.14 (d) The subject of a background study shall provide fingerprints and a photograph as
342.15 required in subdivision 5.

342.16 (e) The subject of a background study shall submit a completed criminal and maltreatment
342.17 history records check consent form and criminal history disclosure form for applicable
342.18 national and state level record checks.

342.19 (f) A background study subject who has access to the NETStudy 2.0 applicant portal
342.20 must provide updated contact information to the commissioner via NETStudy 2.0 any time
342.21 the subject's personal information changes for as long as they remain affiliated on any roster.

342.22 (g) An entity must update contact information in NETStudy 2.0 for a background study
342.23 subject on the entity's roster any time the entity receives new contact information from the
342.24 study subject.

342.25 Sec. 11. Minnesota Statutes 2022, section 245C.05, subdivision 2c, is amended to read:

342.26 Subd. 2c. **Privacy notice to background study subject.** (a) Prior to initiating each
342.27 background study, the entity initiating the study must provide the commissioner's privacy
342.28 notice to the background study subject required under section 13.04, subdivision 2. The
342.29 notice must be available through the commissioner's electronic NETStudy and NETStudy
342.30 2.0 systems and shall include the information in paragraphs (b) and (c).

342.31 (b) The background study subject shall be informed that any previous background studies
342.32 that received a set-aside will be reviewed, and without further contact with the background

343.1 study subject, the commissioner may notify the agency that initiated the subsequent
343.2 background study;

343.3 ~~(1) that the individual has a disqualification that has been set aside for the program or~~
343.4 ~~agency that initiated the study;~~

343.5 ~~(2) the reason for the disqualification; and~~

343.6 ~~(3) that information about the decision to set aside the disqualification will be available~~
343.7 ~~to the license holder upon request without the consent of the background study subject.~~

343.8 (c) The background study subject must also be informed that:

343.9 (1) the subject's fingerprints collected for purposes of completing the background study
343.10 under this chapter must not be retained by the Department of Public Safety, Bureau of
343.11 Criminal Apprehension, or by the commissioner. The Federal Bureau of Investigation will
343.12 not retain background study subjects' fingerprints;

343.13 (2) effective upon implementation of NETStudy 2.0, the subject's photographic image
343.14 will be retained by the commissioner, and if the subject has provided the subject's Social
343.15 Security number for purposes of the background study, the photographic image will be
343.16 available to prospective employers and agencies initiating background studies under this
343.17 chapter to verify the identity of the subject of the background study;

343.18 (3) the authorized fingerprint collection vendor or vendors shall, for purposes of verifying
343.19 the identity of the background study subject, be able to view the identifying information
343.20 entered into NETStudy 2.0 by the entity that initiated the background study, but shall not
343.21 retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The
343.22 authorized fingerprint collection vendor or vendors shall retain no more than the subject's
343.23 name and the date and time the subject's fingerprints were recorded and sent, only as
343.24 necessary for auditing and billing activities;

343.25 (4) the commissioner shall provide the subject notice, as required in section 245C.17,
343.26 subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

343.27 (5) the subject may request in writing a report listing the entities that initiated a
343.28 background study on the individual as provided in section 245C.17, subdivision 1, paragraph
343.29 (b);

343.30 (6) the subject may request in writing that information used to complete the individual's
343.31 background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051,
343.32 paragraph (a), are met; and

344.1 (7) notwithstanding clause (6), the commissioner shall destroy:

344.2 (i) the subject's photograph after a period of two years when the requirements of section
344.3 245C.051, paragraph (c), are met; and

344.4 (ii) any data collected on a subject under this chapter after a period of two years following
344.5 the individual's death as provided in section 245C.051, paragraph (d).

344.6 **EFFECTIVE DATE.** This section is effective April 1, 2024.

344.7 Sec. 12. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

344.8 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the
344.9 Department of Human Services, the commissioner shall implement a secure system for the
344.10 electronic transmission of:

344.11 (1) background study information to the commissioner;

344.12 (2) background study results to the license holder;

344.13 (3) background study information obtained under this section and section 245C.08 to
344.14 counties and private agencies for background studies conducted by the commissioner for
344.15 child foster care, including a summary of nondisqualifying results, except as prohibited by
344.16 law; and

344.17 (4) background study results to county agencies for background studies conducted by
344.18 the commissioner for adult foster care and family adult day services and, upon
344.19 implementation of NETStudy 2.0, family child care ~~and legal nonlicensed child care~~
344.20 ~~authorized under chapter 119B.~~

344.21 (b) Unless the commissioner has granted a hardship variance under paragraph (c), a
344.22 license holder or an applicant must use the electronic transmission system known as
344.23 NETStudy or NETStudy 2.0 to submit all requests for background studies to the
344.24 commissioner as required by this chapter.

344.25 (c) A license holder or applicant whose program is located in an area in which high-speed
344.26 Internet is inaccessible may request the commissioner to grant a variance to the electronic
344.27 transmission requirement.

344.28 (d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under
344.29 this subdivision.

344.30 (e) The background study subject shall access background study-related documents
344.31 electronically in the applicant portal. A background study subject may request for the

345.1 commissioner to grant a variance to the requirement to access documents electronically in
345.2 the NETStudy 2.0 applicant portal and may also request paper documentation of their
345.3 background studies.

345.4 **EFFECTIVE DATE.** The amendments to paragraph (a), clause (4), are effective April
345.5 28, 2025, and paragraph (e) is effective November 1, 2024.

345.6 Sec. 13. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

345.7 Subdivision 1. **Background studies conducted by Department of Human Services.** (a)
345.8 For a background study conducted by the Department of Human Services, the commissioner
345.9 shall review:

345.10 (1) information related to names of substantiated perpetrators of maltreatment of
345.11 vulnerable adults that has been received by the commissioner as required under section
345.12 626.557, subdivision 9c, paragraph (j);

345.13 (2) the commissioner's records relating to the maltreatment of minors in licensed
345.14 programs, and from findings of maltreatment of minors as indicated through the social
345.15 service information system;

345.16 (3) information from juvenile courts as required in subdivision 4 for individuals listed
345.17 in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

345.18 (4) information from the Bureau of Criminal Apprehension, including information
345.19 regarding a background study subject's registration in Minnesota as a predatory offender
345.20 under section 243.166;

345.21 (5) except as provided in clause (6), information received as a result of submission of
345.22 fingerprints for a national criminal history record check, as defined in section 245C.02,
345.23 subdivision 13c, when the commissioner has reasonable cause for a national criminal history
345.24 record check as defined under section 245C.02, subdivision 15a, or as required under section
345.25 144.057, subdivision 1, clause (2);

345.26 (6) for a background study related to a child foster family setting application for licensure,
345.27 foster residence settings, children's residential facilities, a transfer of permanent legal and
345.28 physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a
345.29 background study required for family child care, certified license-exempt child care, child
345.30 care centers, and legal nonlicensed child care authorized under chapter 119B, the
345.31 commissioner shall also review:

346.1 (i) information from the child abuse and neglect registry for any state in which the
346.2 background study subject has resided for the past five years;

346.3 (ii) when the background study subject is 18 years of age or older, or a minor under
346.4 section 245C.05, subdivision 5a, paragraph (c), information received following submission
346.5 of fingerprints for a national criminal history record check; and

346.6 (iii) when the background study subject is 18 years of age or older or a minor under
346.7 section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified
346.8 license-exempt child care, licensed child care centers, and legal nonlicensed child care
346.9 authorized under chapter 119B, information obtained using non-fingerprint-based data
346.10 including information from the criminal and sex offender registries for any state in which
346.11 the background study subject resided for the past five years and information from the national
346.12 crime information database and the national sex offender registry; ~~and~~

346.13 (7) for a background study required for family child care, certified license-exempt child
346.14 care centers, licensed child care centers, and legal nonlicensed child care authorized under
346.15 chapter 119B, the background study shall also include, to the extent practicable, a name
346.16 and date-of-birth search of the National Sex Offender Public website; and

346.17 (8) for a background study required for treatment programs for sexual psychopathic
346.18 personalities or sexually dangerous persons, the background study shall only include a
346.19 review of the information required under paragraph (a), clauses (1) to (4).

346.20 (b) Notwithstanding expungement by a court, the commissioner may consider information
346.21 obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice
346.22 of the petition for expungement and the court order for expungement is directed specifically
346.23 to the commissioner.

346.24 (c) The commissioner shall also review criminal case information received according
346.25 to section 245C.04, subdivision 4a, from the Minnesota court information system that relates
346.26 to individuals who have already been studied under this chapter and who remain affiliated
346.27 with the agency that initiated the background study.

346.28 (d) When the commissioner has reasonable cause to believe that the identity of a
346.29 background study subject is uncertain, the commissioner may require the subject to provide
346.30 a set of classifiable fingerprints for purposes of completing a fingerprint-based record check
346.31 with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph
346.32 shall not be saved by the commissioner after they have been used to verify the identity of
346.33 the background study subject against the particular criminal record in question.

347.1 (e) The commissioner may inform the entity that initiated a background study under
347.2 NETStudy 2.0 of the status of processing of the subject's fingerprints.

347.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

347.4 Sec. 14. Minnesota Statutes 2022, section 245C.10, subdivision 1d, is amended to read:

347.5 Subd. 1d. **State; national criminal history record check fees.** The commissioner may
347.6 increase background study fees as necessary, commensurate with an increase in state Bureau
347.7 of Criminal Apprehension or the national criminal history record check fee fees. ~~The~~
347.8 ~~commissioner shall report any fee increase under this subdivision to the legislature during~~
347.9 ~~the legislative session following the fee increase, so that the legislature may consider adoption~~
347.10 ~~of the fee increase into statute. By July 1 of every year, background study fees shall be set~~
347.11 ~~at the amount adopted by the legislature under this section.~~

347.12 Sec. 15. Minnesota Statutes 2022, section 245C.10, subdivision 2, is amended to read:

347.13 Subd. 2. **Supplemental nursing services agencies.** The commissioner shall recover the
347.14 cost of the background studies initiated by supplemental nursing services agencies registered
347.15 under section 144A.71, subdivision 1, through a fee of no more than ~~\$42~~ \$44 per study
347.16 charged to the agency. The fees collected under this subdivision are appropriated to the
347.17 commissioner for the purpose of conducting background studies.

347.18 Sec. 16. Minnesota Statutes 2022, section 245C.10, subdivision 2a, is amended to read:

347.19 Subd. 2a. **Occupations regulated by commissioner of health.** The commissioner shall
347.20 set fees to recover the cost of combined background studies and criminal background checks
347.21 initiated by applicants, licensees, and certified practitioners regulated under sections 148.511
347.22 to 148.5198 and chapter 153A through a fee of no more than \$44 per study charged to the
347.23 entity. The fees collected under this subdivision shall be deposited in the special revenue
347.24 fund and are appropriated to the commissioner for the purpose of conducting background
347.25 studies and criminal background checks.

347.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

347.27 Sec. 17. Minnesota Statutes 2022, section 245C.10, subdivision 3, is amended to read:

347.28 Subd. 3. **Personal care provider organizations.** The commissioner shall recover the
347.29 cost of background studies initiated by a personal care provider organization under sections
347.30 256B.0651 to 256B.0654 and 256B.0659 through a fee of no more than ~~\$42~~ \$44 per study
347.31 charged to the organization responsible for submitting the background study form. The fees

348.1 collected under this subdivision are appropriated to the commissioner for the purpose of
348.2 conducting background studies.

348.3 Sec. 18. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

348.4 Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational**
348.5 **programs, and professional services agencies.** The commissioner shall recover the cost
348.6 of the background studies initiated by temporary personnel agencies, personnel pool agencies,
348.7 educational programs, and professional services agencies that initiate background studies
348.8 under section 245C.03, subdivision 4, through a fee of no more than ~~\$42~~ \$44 per study
348.9 charged to the agency. The fees collected under this subdivision are appropriated to the
348.10 commissioner for the purpose of conducting background studies.

348.11 Sec. 19. Minnesota Statutes 2022, section 245C.10, subdivision 5, is amended to read:

348.12 Subd. 5. **Adult foster care and family adult day services.** The commissioner shall
348.13 recover the cost of background studies required under section 245C.03, subdivision 1, for
348.14 the purposes of adult foster care and family adult day services licensing, through a fee of
348.15 no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this
348.16 subdivision are appropriated to the commissioner for the purpose of conducting background
348.17 studies.

348.18 Sec. 20. Minnesota Statutes 2022, section 245C.10, subdivision 6, is amended to read:

348.19 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
348.20 **seniors and individuals with disabilities.** The commissioner shall recover the cost of
348.21 background studies initiated by unlicensed home and community-based waiver providers
348.22 of service to seniors and individuals with disabilities under section 256B.4912 through a
348.23 fee of no more than ~~\$42~~ \$44 per study.

348.24 Sec. 21. Minnesota Statutes 2022, section 245C.10, subdivision 8, is amended to read:

348.25 Subd. 8. **Children's therapeutic services and supports providers.** The commissioner
348.26 shall recover the cost of background studies required under section 245C.03, subdivision
348.27 7, for the purposes of children's therapeutic services and supports under section 256B.0943,
348.28 through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees
348.29 collected under this subdivision are appropriated to the commissioner for the purpose of
348.30 conducting background studies.

349.1 Sec. 22. Minnesota Statutes 2022, section 245C.10, subdivision 9, is amended to read:

349.2 Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost
349.3 of background studies required under section 245C.03, subdivision 1, for all programs that
349.4 are licensed by the commissioner, except child foster care when the applicant or license
349.5 holder resides in the home where child foster care services are provided, family child care,
349.6 child care centers, certified license-exempt child care centers, and legal nonlicensed child
349.7 care authorized under chapter 119B, through a fee of no more than ~~\$42~~ \$44 per study charged
349.8 to the license holder. The fees collected under this subdivision are appropriated to the
349.9 commissioner for the purpose of conducting background studies.

349.10 Sec. 23. Minnesota Statutes 2022, section 245C.10, subdivision 9a, is amended to read:

349.11 Subd. 9a. **Child care programs.** The commissioner shall recover the cost of a background
349.12 study required for family child care, certified license-exempt child care centers, licensed
349.13 child care centers, and legal nonlicensed child care providers authorized under chapter 119B
349.14 through a fee of no more than ~~\$40~~ \$44 per study charged to the license holder. A fee of no
349.15 more than ~~\$42~~ \$44 per study shall be charged for studies conducted under section 245C.05,
349.16 subdivision 5a, paragraph (a). The fees collected under this subdivision are appropriated to
349.17 the commissioner to conduct background studies.

349.18 Sec. 24. Minnesota Statutes 2022, section 245C.10, subdivision 10, is amended to read:

349.19 Subd. 10. **Community first services and supports organizations.** The commissioner
349.20 shall recover the cost of background studies initiated by an agency-provider delivering
349.21 services under section 256B.85, subdivision 11, or a financial management services provider
349.22 providing service functions under section 256B.85, subdivision 13, through a fee of no more
349.23 than ~~\$42~~ \$44 per study, charged to the organization responsible for submitting the background
349.24 study form. The fees collected under this subdivision are appropriated to the commissioner
349.25 for the purpose of conducting background studies.

349.26 Sec. 25. Minnesota Statutes 2022, section 245C.10, subdivision 11, is amended to read:

349.27 Subd. 11. **Providers of housing support.** The commissioner shall recover the cost of
349.28 background studies initiated by providers of housing support under section 256I.04 through
349.29 a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are
349.30 appropriated to the commissioner for the purpose of conducting background studies.

350.1 Sec. 26. Minnesota Statutes 2022, section 245C.10, subdivision 12, is amended to read:

350.2 Subd. 12. **Child protection workers or social services staff having responsibility for**
 350.3 **child protective duties.** The commissioner shall recover the cost of background studies
 350.4 initiated by county social services agencies and local welfare agencies for individuals who
 350.5 are required to have a background study under section 260E.36, subdivision 3, through a
 350.6 fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are
 350.7 appropriated to the commissioner for the purpose of conducting background studies.

350.8 Sec. 27. Minnesota Statutes 2022, section 245C.10, subdivision 13, is amended to read:

350.9 Subd. 13. **Providers of special transportation service.** The commissioner shall recover
 350.10 the cost of background studies initiated by providers of special transportation service under
 350.11 section 174.30 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under
 350.12 this subdivision are appropriated to the commissioner for the purpose of conducting
 350.13 background studies.

350.14 Sec. 28. Minnesota Statutes 2022, section 245C.10, subdivision 14, is amended to read:

350.15 Subd. 14. **Children's residential facilities.** The commissioner shall recover the cost of
 350.16 background studies initiated by a licensed children's residential facility through a fee of no
 350.17 more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the
 350.18 commissioner for purposes of conducting background studies.

350.19 Sec. 29. Minnesota Statutes 2022, section 245C.10, subdivision 15, is amended to read:

350.20 Subd. 15. **Guardians and conservators.** The commissioner shall recover the cost of
 350.21 conducting ~~background studies~~ maltreatment and state licensing agency checks for guardians
 350.22 and conservators under section ~~524.5-118~~ 245C.033 through a fee of no more than ~~\$110~~
 350.23 ~~per study~~ \$50. The fees collected under this subdivision are appropriated to the commissioner
 350.24 for the purpose of conducting ~~background studies~~ maltreatment and state licensing agency
 350.25 checks. The fee for conducting an alternative background study for appointment of a
 350.26 professional guardian or conservator must be paid by the guardian or conservator. In other
 350.27 cases, the fee must be paid as follows: must be paid directly to and in the manner prescribed
 350.28 by the commissioner before any maltreatment and state licensing agency checks under
 350.29 section 245C.033 may be conducted.

350.30 ~~(1) if the matter is proceeding in forma pauperis, the fee must be paid as an expense for~~
 350.31 ~~purposes of section 524.5-502, paragraph (a);~~

351.1 ~~(2) if there is an estate of the ward or protected person, the fee must be paid from the~~
 351.2 ~~estate; or~~

351.3 ~~(3) in the case of a guardianship or conservatorship of a person that is not proceeding~~
 351.4 ~~in forma pauperis, the fee must be paid by the guardian, conservator, or the court.~~

351.5 Sec. 30. Minnesota Statutes 2022, section 245C.10, subdivision 16, is amended to read:

351.6 Subd. 16. **Providers of housing ~~support~~ stabilization services.** The commissioner shall
 351.7 recover the cost of background studies initiated by providers of housing ~~support~~ stabilization
 351.8 services under section 256B.051 through a fee of no more than ~~\$42~~ \$44 per study. The fees
 351.9 collected under this subdivision are appropriated to the commissioner for the purpose of
 351.10 conducting background studies.

351.11 Sec. 31. Minnesota Statutes 2022, section 245C.10, subdivision 17, is amended to read:

351.12 Subd. 17. **Early intensive developmental and behavioral intervention providers.** The
 351.13 commissioner shall recover the cost of background studies required under section 245C.03,
 351.14 subdivision 15, for the purposes of early intensive developmental and behavioral intervention
 351.15 under section 256B.0949, through a fee of no more than ~~\$42~~ \$44 per study charged to the
 351.16 enrolled agency. The fees collected under this subdivision are appropriated to the
 351.17 commissioner for the purpose of conducting background studies.

351.18 Sec. 32. Minnesota Statutes 2022, section 245C.10, subdivision 20, is amended to read:

351.19 Subd. 20. **Professional Educators Licensing Standards Board.** The commissioner
 351.20 shall recover the cost of background studies initiated by the Professional Educators Licensing
 351.21 Standards Board through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this
 351.22 subdivision are appropriated to the commissioner for purposes of conducting background
 351.23 studies.

351.24 Sec. 33. Minnesota Statutes 2022, section 245C.10, subdivision 21, is amended to read:

351.25 Subd. 21. **Board of School Administrators.** The commissioner shall recover the cost
 351.26 of background studies initiated by the Board of School Administrators through a fee of no
 351.27 more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the
 351.28 commissioner for purposes of conducting background studies.

352.1 Sec. 34. Minnesota Statutes 2022, section 245C.15, subdivision 2, is amended to read:

352.2 Subd. 2. **15-year disqualification.** (a) An individual is disqualified under section 245C.14
352.3 if: (1) less than 15 years have passed since the discharge of the sentence imposed, if any,
352.4 for the offense; and (2) the individual has committed a felony-level violation of any of the
352.5 following offenses: sections 152.021, subdivision 1 or 2b, (aggravated controlled substance
352.6 crime in the first degree; sale crimes); 152.022, subdivision 1 (controlled substance crime
352.7 in the second degree; sale crimes); 152.023, subdivision 1 (controlled substance crime in
352.8 the third degree; sale crimes); 152.024, subdivision 1 (controlled substance crime in the
352.9 fourth degree; sale crimes); 256.98 (wrongfully obtaining assistance); 268.182 (fraud);
352.10 393.07, subdivision 10, paragraph (c) (federal SNAP fraud); 609.165 (felon ineligible to
352.11 possess firearm); 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury);
352.12 609.215 (suicide); 609.223 or 609.2231 (assault in the third or fourth degree); repeat offenses
352.13 under 609.224 (assault in the fifth degree); 609.229 (crimes committed for benefit of a
352.14 gang); 609.2325 (criminal abuse of a vulnerable adult); 609.2335 (financial exploitation of
352.15 a vulnerable adult); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple
352.16 robbery); 609.255 (false imprisonment); 609.2664 (manslaughter of an unborn child in the
352.17 first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267
352.18 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the
352.19 second degree); 609.268 (injury or death of an unborn child in the commission of a crime);
352.20 609.27 (coercion); 609.275 (attempt to coerce); 609.466 (medical assistance fraud); 609.495
352.21 (aiding an offender); 609.498, subdivision 1 or 1b (aggravated first-degree or first-degree
352.22 tampering with a witness); 609.52 (theft); 609.521 (possession of shoplifting gear); 609.525
352.23 (bringing stolen goods into Minnesota); 609.527 (identity theft); 609.53 (receiving stolen
352.24 property); 609.535 (issuance of dishonored checks); 609.562 (arson in the second degree);
352.25 609.563 (arson in the third degree); 609.582 (burglary); 609.59 (possession of burglary
352.26 tools); 609.611 (insurance fraud); 609.625 (aggravated forgery); 609.63 (forgery); 609.631
352.27 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense);
352.28 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.687
352.29 (adulteration); 609.71 (riot); 609.713 (terroristic threats); 609.82 (fraud in obtaining credit);
352.30 609.821 (financial transaction card fraud); 617.23 (indecent exposure), not involving a
352.31 minor; repeat offenses under 617.241 (obscene materials and performances; distribution
352.32 and exhibition prohibited; penalty); or 624.713 (certain persons not to possess firearms);
352.33 ~~chapter 152 (drugs; controlled substance); or Minnesota Statutes 2012, section 609.21; or~~
352.34 ~~a felony-level conviction involving alcohol or drug use.~~

353.1 (b) An individual is disqualified under section 245C.14 if less than 15 years has passed
353.2 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
353.3 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

353.4 (c) An individual is disqualified under section 245C.14 if less than 15 years has passed
353.5 since the termination of the individual's parental rights under section 260C.301, subdivision
353.6 1, paragraph (b), or subdivision 3.

353.7 (d) An individual is disqualified under section 245C.14 if less than 15 years has passed
353.8 since the discharge of the sentence imposed for an offense in any other state or country, the
353.9 elements of which are substantially similar to the elements of the offenses listed in paragraph
353.10 (a).

353.11 (e) If the individual studied commits one of the offenses listed in paragraph (a), but the
353.12 sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is
353.13 disqualified but the disqualification look-back period for the offense is the period applicable
353.14 to the gross misdemeanor or misdemeanor disposition.

353.15 (f) When a disqualification is based on a judicial determination other than a conviction,
353.16 the disqualification period begins from the date of the court order. When a disqualification
353.17 is based on an admission, the disqualification period begins from the date of an admission
353.18 in court. When a disqualification is based on an Alford Plea, the disqualification period
353.19 begins from the date the Alford Plea is entered in court. When a disqualification is based
353.20 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
353.21 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
353.22 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

353.23 **EFFECTIVE DATE.** This section is effective for background studies requested on or
353.24 after August 1, 2024.

353.25 Sec. 35. Minnesota Statutes 2022, section 245C.15, is amended by adding a subdivision
353.26 to read:

353.27 **Subd. 4b. Five-year disqualification.** (a) An individual is disqualified under section
353.28 245C.14 if: (1) less than five years have passed since the discharge of the sentence imposed,
353.29 if any, for the offense; and (2) the individual has committed a felony, gross misdemeanor,
353.30 or misdemeanor-level violation of any of the following offenses: section 152.021, subdivision
353.31 2 or 2a (controlled substance possession crime in the first degree; methamphetamine
353.32 manufacture crime); 152.022, subdivision 2 (controlled substance possession crime in the
353.33 second degree); 152.023, subdivision 2 (controlled substance possession crime in the third

354.1 degree); 152.024, subdivision 2 (controlled substance possession crime in the fourth degree);
354.2 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing controlled
354.3 substances across state borders); 152.0262 (possession of substances with intent to
354.4 manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale of synthetic
354.5 cannabinoids); 152.096 (conspiracy to commit controlled substance crime); or 152.097
354.6 (simulated controlled substances).

354.7 (b) An individual is disqualified under section 245C.14 if less than five years have passed
354.8 since the individual's aiding and abetting, attempt, or conspiracy to commit any of the
354.9 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes.

354.10 (c) An individual is disqualified under section 245C.14 if less than five years have passed
354.11 since the discharge of the sentence imposed for an offense in any other state or country, the
354.12 elements of which are substantially similar to the elements of any of the offenses listed in
354.13 paragraph (a).

354.14 (d) When a disqualification is based on a judicial determination other than a conviction,
354.15 the disqualification period begins from the date of the court order. When a disqualification
354.16 is based on an admission, the disqualification period begins from the date of an admission
354.17 in court. When a disqualification is based on an Alford plea, the disqualification period
354.18 begins from the date the Alford plea is entered in court. When a disqualification is based
354.19 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
354.20 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
354.21 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

354.22 **EFFECTIVE DATE.** This section is effective for background studies requested on or
354.23 after August 1, 2024.

354.24 Sec. 36. Minnesota Statutes 2022, section 245C.17, subdivision 2, is amended to read:

354.25 Subd. 2. **Disqualification notice sent to subject.** (a) If the information in the study
354.26 indicates the individual is disqualified from direct contact with, or from access to, persons
354.27 served by the program, the commissioner shall disclose to the individual studied:

354.28 (1) the information causing disqualification;

354.29 (2) instructions on how to request a reconsideration of the disqualification;

354.30 (3) an explanation of any restrictions on the commissioner's discretion to set aside the
354.31 disqualification under section 245C.24, when applicable to the individual;

355.1 ~~(4) a statement that, if the individual's disqualification is set aside under section 245C.22,~~
 355.2 ~~the applicant, license holder, or other entity that initiated the background study will be~~
 355.3 ~~provided with the reason for the individual's disqualification and an explanation that the~~
 355.4 ~~factors under section 245C.22, subdivision 4, which were the basis of the decision to set~~
 355.5 ~~aside the disqualification shall be made available to the license holder upon request without~~
 355.6 ~~the consent of the subject of the background study;~~

355.7 ~~(5) a statement indicating that if the individual's disqualification is set aside or the facility~~
 355.8 ~~is granted a variance under section 245C.30, the individual's identity and the reason for the~~
 355.9 ~~individual's disqualification will become public data under section 245C.22, subdivision 7,~~
 355.10 ~~when applicable to the individual;~~

355.11 ~~(6)~~ (4) a statement that when a subsequent background study is initiated on the individual
 355.12 following a set-aside of the individual's disqualification, and the commissioner makes a
 355.13 determination under section 245C.22, subdivision 5, paragraph (b), that the previous set-aside
 355.14 applies to the subsequent background study, the applicant, license holder, or other entity
 355.15 that initiated the background study will be informed in the notice under section 245C.22,
 355.16 subdivision 5, paragraph (c);

355.17 ~~(i) of the reason for the individual's disqualification;~~

355.18 ~~(ii) that the individual's disqualification is set aside for that program or agency; and~~

355.19 ~~(iii) that information about the factors under section 245C.22, subdivision 4, that were~~
 355.20 ~~the basis of the decision to set aside the disqualification are available to the license holder~~
 355.21 ~~upon request without the consent of the background study subject; and~~

355.22 ~~(7)~~ (5) the commissioner's determination of the individual's immediate risk of harm
 355.23 under section 245C.16.

355.24 (b) If the commissioner determines under section 245C.16 that an individual poses an
 355.25 imminent risk of harm to persons served by the program where the individual will have
 355.26 direct contact with, or access to, people receiving services, the commissioner's notice must
 355.27 include an explanation of the basis of this determination.

355.28 (c) If the commissioner determines under section 245C.16 that an individual studied
 355.29 does not pose a risk of harm that requires immediate removal, the individual shall be informed
 355.30 of the conditions under which the agency that initiated the background study may allow the
 355.31 individual to have direct contact with, or access to, people receiving services, as provided
 355.32 under subdivision 3.

355.33 **EFFECTIVE DATE.** This section is effective April 1, 2024.

356.1 Sec. 37. Minnesota Statutes 2022, section 245C.17, subdivision 3, is amended to read:

356.2 Subd. 3. **Disqualification notification.** (a) The commissioner shall notify an applicant,
356.3 license holder, or other entity as provided in this chapter who is not the subject of the study:

356.4 (1) that the commissioner has found information that disqualifies the individual studied
356.5 from being in a position allowing direct contact with, or access to, people served by the
356.6 program; and

356.7 (2) the commissioner's determination of the individual's risk of harm under section
356.8 245C.16.

356.9 (b) If the commissioner determines under section 245C.16 that an individual studied
356.10 poses an imminent risk of harm to persons served by the program where the individual
356.11 studied will have direct contact with, or access to, people served by the program, the
356.12 commissioner shall order the license holder to immediately remove the individual studied
356.13 from any position allowing direct contact with, or access to, people served by the program.

356.14 (c) If the commissioner determines under section 245C.16 that an individual studied
356.15 poses a risk of harm that requires continuous, direct supervision, the commissioner shall
356.16 order the applicant, license holder, or other entities as provided in this chapter to:

356.17 (1) immediately remove the individual studied from any position allowing direct contact
356.18 with, or access to, people receiving services; or

356.19 (2) before allowing the disqualified individual to be in a position allowing direct contact
356.20 with, or access to, people receiving services, the applicant, license holder, or other entity,
356.21 as provided in this chapter, must:

356.22 ~~(i) obtain from the disqualified individual a copy of the individual's notice of~~
356.23 ~~disqualification from the commissioner that explains the reason for disqualification;~~

356.24 ~~(ii)~~ (i) ensure that the individual studied is under continuous, direct supervision when
356.25 in a position allowing direct contact with, or access to, people receiving services during the
356.26 period in which the individual may request a reconsideration of the disqualification under
356.27 section 245C.21; and

356.28 ~~(iii)~~ (ii) ensure that the disqualified individual requests reconsideration within 30 days
356.29 of receipt of the notice of disqualification.

356.30 (d) If the commissioner determines under section 245C.16 that an individual studied
356.31 does not pose a risk of harm that requires continuous, direct supervision, the commissioner
356.32 shall order the applicant, license holder, or other entities as provided in this chapter to:

357.1 (1) immediately remove the individual studied from any position allowing direct contact
357.2 with, or access to, people receiving services; or

357.3 (2) before allowing the disqualified individual to be in any position allowing direct
357.4 contact with, or access to, people receiving services, the applicant, license holder, or other
357.5 entity as provided in this chapter must:

357.6 ~~(i) obtain from the disqualified individual a copy of the individual's notice of~~
357.7 ~~disqualification from the commissioner that explains the reason for disqualification; and~~

357.8 ~~(ii) ensure that the disqualified individual requests reconsideration within 15 days of~~
357.9 receipt of the notice of disqualification.

357.10 (e) The commissioner shall not notify the applicant, license holder, or other entity as
357.11 provided in this chapter of the information contained in the subject's background study
357.12 unless:

357.13 (1) the basis for the disqualification is failure to cooperate with the background study
357.14 ~~or substantiated maltreatment under section 626.557 or chapter 260E;~~

357.15 (2) the Data Practices Act under chapter 13 provides for release of the information; or

357.16 (3) the individual studied authorizes the release of the information.

357.17 **EFFECTIVE DATE.** This section is effective April 1, 2024.

357.18 Sec. 38. Minnesota Statutes 2022, section 245C.17, subdivision 6, is amended to read:

357.19 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
357.20 provide adult foster care when the applicant or license holder resides in the adult foster care
357.21 residence and family adult day services and, effective upon implementation of NETStudy
357.22 2.0, family child care ~~and legal nonlicensed child care authorized under chapter 119B~~, the
357.23 commissioner shall also provide a notice of the background study results to the county
357.24 agency that initiated the background study.

357.25 **EFFECTIVE DATE.** This section is effective April 28, 2025.

357.26 Sec. 39. Minnesota Statutes 2022, section 245C.21, subdivision 1a, is amended to read:

357.27 Subd. 1a. **Submission of reconsideration request.** (a) For disqualifications related to
357.28 studies conducted by county agencies for family child care, and for disqualifications related
357.29 to studies conducted by the commissioner for child foster care, adult foster care, and family
357.30 adult day services when the applicant or license holder resides in the home where services

358.1 are provided, the individual shall submit the request for reconsideration to the county agency
358.2 that initiated the background study.

358.3 (b) For disqualifications related to studies conducted by the commissioner for child
358.4 foster care providers monitored by private licensing agencies under section 245A.16, the
358.5 individual shall submit the request for reconsideration to the private agency that initiated
358.6 the background study.

358.7 (c) A reconsideration request shall be submitted within 30 days of the individual's receipt
358.8 of the disqualification notice ~~or the time frames specified in subdivision 2, whichever time~~
358.9 ~~frame is shorter.~~

358.10 (d) The county or private agency shall forward the individual's request for reconsideration
358.11 and provide the commissioner with a recommendation whether to set aside the individual's
358.12 disqualification.

358.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

358.14 Sec. 40. Minnesota Statutes 2022, section 245C.21, subdivision 2, is amended to read:

358.15 Subd. 2. **Time frame for requesting reconsideration.** (a) When the commissioner
358.16 sends an individual a notice of disqualification based on a finding under section 245C.16,
358.17 subdivision 2, paragraph (a), clause (1) or (2), the disqualified individual must submit the
358.18 request for a reconsideration within 30 calendar days of the individual's receipt of the notice
358.19 of disqualification. If mailed, the request for reconsideration must be postmarked and sent
358.20 to the commissioner within 30 calendar days of the individual's receipt of the notice of
358.21 disqualification. If a request for reconsideration is made by personal service, it must be
358.22 received by the commissioner within 30 calendar days after the individual's receipt of the
358.23 notice of disqualification. Upon showing that the information under subdivision 3 cannot
358.24 be obtained within 30 days, the disqualified individual may request additional time, not to
358.25 exceed 30 days, to obtain the information.

358.26 (b) When the commissioner sends an individual a notice of disqualification based on a
358.27 finding under section 245C.16, subdivision 2, paragraph (a), clause (3), the disqualified
358.28 individual must submit the request for reconsideration within ~~15~~ 30 calendar days of the
358.29 individual's receipt of the notice of disqualification. If mailed, the request for reconsideration
358.30 must be postmarked and sent to the commissioner within ~~15~~ 30 calendar days of the
358.31 individual's receipt of the notice of disqualification. If a request for reconsideration is made
358.32 by personal service, it must be received by the commissioner within ~~15~~ 30 calendar days
358.33 after the individual's receipt of the notice of disqualification.

359.1 (c) An individual who was determined to have maltreated a child under chapter 260E
 359.2 or a vulnerable adult under section 626.557, and who is disqualified on the basis of serious
 359.3 or recurring maltreatment, may request a reconsideration of both the maltreatment and the
 359.4 disqualification determinations. The request must be submitted within 30 calendar days of
 359.5 the individual's receipt of the notice of disqualification. If mailed, the request for
 359.6 reconsideration must be postmarked and sent to the commissioner within 30 calendar days
 359.7 of the individual's receipt of the notice of disqualification. If a request for reconsideration
 359.8 is made by personal service, it must be received by the commissioner within 30 calendar
 359.9 days after the individual's receipt of the notice of disqualification.

359.10 (d) Except for family child care and child foster care, reconsideration of a maltreatment
 359.11 determination under sections 260E.33 and 626.557, subdivision 9d, and reconsideration of
 359.12 a disqualification under section 245C.22, shall not be conducted when:

359.13 (1) a denial of a license under section 245A.05, or a licensing sanction under section
 359.14 245A.07, is based on a determination that the license holder is responsible for maltreatment
 359.15 or the disqualification of a license holder based on serious or recurring maltreatment;

359.16 (2) the denial of a license or licensing sanction is issued at the same time as the
 359.17 maltreatment determination or disqualification; and

359.18 (3) the license holder appeals the maltreatment determination, disqualification, and
 359.19 denial of a license or licensing sanction. In such cases, a fair hearing under section 256.045
 359.20 must not be conducted under sections 245C.27, 260E.33, and 626.557, subdivision 9d.
 359.21 Under section 245A.08, subdivision 2a, the scope of the consolidated contested case hearing
 359.22 must include the maltreatment determination, disqualification, and denial of a license or
 359.23 licensing sanction.

359.24 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment
 359.25 determination or disqualification, but does not appeal the denial of a license or a licensing
 359.26 sanction, reconsideration of the maltreatment determination shall be conducted under sections
 359.27 260E.33 and 626.557, subdivision 9d, and reconsideration of the disqualification shall be
 359.28 conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as
 359.29 provided under sections 245C.27, 260E.33, and 626.557, subdivision 9d.

359.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

359.31 Sec. 41. Minnesota Statutes 2022, section 245C.22, subdivision 7, is amended to read:

359.32 Subd. 7. **Classification of certain data.** (a) Notwithstanding section 13.46, except as
 359.33 provided in paragraph ~~(f)~~ (e), upon setting aside a disqualification under this section, the

360.1 identity of the disqualified individual who received the set-aside and the individual's
 360.2 disqualifying characteristics are ~~public~~ private data ~~if the set-aside was:~~ on individuals, as
 360.3 defined in section 13.02, subdivision 12.

360.4 ~~(1) for any disqualifying characteristic under section 245C.15, except a felony-level~~
 360.5 ~~conviction for a drug-related offense within the past five years, when the set-aside relates~~
 360.6 ~~to a child care center or a family child care provider licensed under chapter 245A, certified~~
 360.7 ~~license-exempt child care center, or legal nonlicensed family child care; or~~

360.8 ~~(2) for a disqualifying characteristic under section 245C.15, subdivision 2.~~

360.9 (b) Notwithstanding section 13.46, upon granting a variance to a license holder under
 360.10 section 245C.30, the identity of the disqualified individual who is the subject of the variance,
 360.11 the individual's disqualifying characteristics under section 245C.15, and the terms of the
 360.12 variance are ~~public data, except as provided in paragraph (c), clause (6), when the variance:~~
 360.13 private data on individuals, as defined in section 13.02, subdivision 12.

360.14 ~~(1) is issued to a child care center or a family child care provider licensed under chapter~~
 360.15 ~~245A; or~~

360.16 ~~(2) relates to an individual with a disqualifying characteristic under section 245C.15,~~
 360.17 ~~subdivision 2.~~

360.18 (c) The identity of a disqualified individual and the reason for disqualification remain
 360.19 private data when:

360.20 (1) a disqualification is not set aside and no variance is granted, except as provided under
 360.21 section 13.46, subdivision 4;

360.22 (2) the data are not public under paragraph (a) or (b);

360.23 (3) the disqualification is rescinded because the information relied upon to disqualify
 360.24 the individual is incorrect;

360.25 (4) the disqualification relates to a license to provide relative child foster care. As used
 360.26 in this clause, "relative" has the meaning given it under section 260C.007, subdivision 26b
 360.27 or 27;

360.28 (5) the disqualified individual is a household member of a licensed foster care provider
 360.29 and:

360.30 (i) the disqualified individual previously received foster care services from this licensed
 360.31 foster care provider;

361.1 (ii) the disqualified individual was subsequently adopted by this licensed foster care
361.2 provider; and

361.3 (iii) the disqualifying act occurred before the adoption; or

361.4 (6) a variance is granted to a child care center or family child care license holder for an
361.5 individual's disqualification that is based on a felony-level conviction for a drug-related
361.6 offense that occurred within the past five years.

361.7 ~~(d) Licensed family child care providers and child care centers must provide notices as~~
361.8 ~~required under section 245C.301.~~

361.9 ~~(e)~~ (d) Notwithstanding paragraphs (a) and (b), the identity of household members who
361.10 are the subject of a disqualification related set-aside or variance is not public data if:

361.11 (1) the household member resides in the residence where the family child care is provided;

361.12 (2) the subject of the set-aside or variance is under the age of 18 years; and

361.13 (3) the set-aside or variance only relates to a disqualification under section 245C.15,
361.14 subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

361.15 ~~(f)~~ (e) When the commissioner has reason to know that a disqualified individual has
361.16 received an order for expungement for the disqualifying record that does not limit the
361.17 commissioner's access to the record, and the record was opened or exchanged with the
361.18 commissioner for purposes of a background study under this chapter, the data that would
361.19 otherwise become public under paragraph (a) or (b) remain private data.

361.20 **EFFECTIVE DATE.** This section is effective April 1, 2024.

361.21 Sec. 42. Minnesota Statutes 2022, section 245C.23, subdivision 1, is amended to read:

361.22 Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner
361.23 rescinds or sets aside a disqualification, the commissioner shall notify the applicant, license
361.24 holder, or other entity in writing or by electronic transmission of the decision.

361.25 (b) In the notice from the commissioner that a disqualification has been rescinded, the
361.26 commissioner must inform the applicant, license holder, or other entity that the information
361.27 relied upon to disqualify the individual was incorrect.

361.28 ~~(c) Except as provided in paragraphs (d) and (e), in the notice from the commissioner~~
361.29 ~~that a disqualification has been set aside, the commissioner must inform the applicant,~~
361.30 ~~license holder, or other entity of the reason for the individual's disqualification and that~~
361.31 ~~information about which factors under section 245C.22, subdivision 4, were the basis of~~

362.1 ~~the decision to set aside the disqualification are available to the license holder upon request~~
 362.2 ~~without the consent of the background study subject.~~

362.3 ~~(d) When the commissioner has reason to know that a disqualified individual has received~~
 362.4 ~~an order for expungement for the disqualifying record that does not limit the commissioner's~~
 362.5 ~~access to the record, and the record was opened or exchanged with the commissioner for~~
 362.6 ~~purposes of a background study under this chapter, the information provided under paragraph~~
 362.7 ~~(e) must only inform the applicant, license holder, or other entity that the disqualifying~~
 362.8 ~~criminal record is sealed under a court order.~~

362.9 ~~(e) The notification requirements in paragraph (e) do not apply when the set aside is~~
 362.10 ~~granted to an individual related to a background study for a licensed child care center,~~
 362.11 ~~certified license exempt child care center, or family child care license holder, or for a legal~~
 362.12 ~~nonlicensed child care provider authorized under chapter 119B, and the individual is~~
 362.13 ~~disqualified for a felony level conviction for a drug related offense that occurred within the~~
 362.14 ~~past five years. The notice that the individual's disqualification is set aside must inform the~~
 362.15 ~~applicant, license holder, or legal nonlicensed child care provider that the disqualifying~~
 362.16 ~~criminal record is not public.~~

362.17 (c) In response to a reconsideration request, the commissioner must inform the applicant,
 362.18 license holder, or other entity that the reason for the individual's disqualification and the
 362.19 information about which factors under section 245C.22, subdivision 4, were the basis of
 362.20 the reconsideration decision are not public data.

362.21 **EFFECTIVE DATE.** This section is effective April 1, 2024.

362.22 Sec. 43. Minnesota Statutes 2022, section 245C.23, subdivision 2, is amended to read:

362.23 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The
 362.24 commissioner shall notify the license holder of the disqualification and order the license
 362.25 holder to immediately remove the individual from any position allowing direct contact with
 362.26 persons receiving services from the license holder if:

362.27 (1) the individual studied does not submit a timely request for reconsideration under
 362.28 section 245C.21;

362.29 (2) the individual submits a timely request for reconsideration, but the commissioner
 362.30 does not set aside the disqualification for that license holder under section 245C.22, unless
 362.31 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

363.1 (3) an individual who has a right to request a hearing under sections 245C.27 and 256.045,
363.2 or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request
363.3 a hearing within the specified time; or

363.4 (4) an individual submitted a timely request for a hearing under sections 245C.27 and
363.5 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
363.6 disqualification under section 245A.08, subdivision 5, or 256.045.

363.7 (b) If the commissioner does not set aside the disqualification under section 245C.22,
363.8 and the license holder was previously ordered under section 245C.17 to immediately remove
363.9 the disqualified individual from direct contact with persons receiving services or to ensure
363.10 that the individual is under continuous, direct supervision when providing direct contact
363.11 services, the order remains in effect pending the outcome of a hearing under sections 245C.27
363.12 and 256.045, or 245C.28 and chapter 14.

363.13 (c) If the commissioner does not set aside the disqualification under section 245C.22,
363.14 and the license holder was not previously ordered under section 245C.17 to immediately
363.15 remove the disqualified individual from direct contact with persons receiving services or
363.16 to ensure that the individual is under continuous direct supervision when providing direct
363.17 contact services, the commissioner shall order the individual to remain under continuous
363.18 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,
363.19 or 245C.28 and chapter 14.

363.20 (d) For background studies related to child foster care when the applicant or license
363.21 holder resides in the home where services are provided, the commissioner shall also notify
363.22 the county or private agency that initiated the study of the results of the reconsideration.

363.23 (e) For background studies related to family child care, ~~legal nonlicensed child care,~~
363.24 adult foster care programs when the applicant or license holder resides in the home where
363.25 services are provided, and family adult day services, the commissioner shall also notify the
363.26 county that initiated the study of the results of the reconsideration.

363.27 **EFFECTIVE DATE.** This section is effective April 28, 2025.

363.28 Sec. 44. Minnesota Statutes 2022, section 245C.30, subdivision 2, is amended to read:

363.29 Subd. 2. **Disclosure of reason for disqualification.** (a) The commissioner may not grant
363.30 a variance for a disqualified individual unless the applicant, license-exempt child care center
363.31 certification holder, or license holder requests the variance and the disqualified individual
363.32 provides written consent for the commissioner to disclose to the applicant, license-exempt
363.33 child care center certification holder, or license holder the reason for the disqualification.

364.1 (b) This subdivision does not apply to programs licensed to provide family child care
364.2 for children, foster care for children in the provider's own home, or foster care or day care
364.3 services for adults in the provider's own home. ~~When the commissioner grants a variance~~
364.4 ~~for a disqualified individual in connection with a license to provide the services specified~~
364.5 ~~in this paragraph, the disqualified individual's consent is not required to disclose the reason~~
364.6 ~~for the disqualification to the license holder in the variance issued under subdivision 1,~~
364.7 ~~provided that the commissioner may not disclose the reason for the disqualification if the~~
364.8 ~~disqualification is based on a felony-level conviction for a drug-related offense within the~~
364.9 ~~past five years.~~

364.10 **EFFECTIVE DATE.** This section is effective April 1, 2024.

364.11 Sec. 45. Minnesota Statutes 2022, section 245C.32, subdivision 2, is amended to read:

364.12 Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain
364.13 and provide criminal history data from the Bureau of Criminal Apprehension, criminal
364.14 history data held by the commissioner, and data about substantiated maltreatment under
364.15 section 626.557 or chapter 260E, for other purposes, provided that:

364.16 (1) the background study is specifically authorized in statute; or

364.17 (2) the request is made with the informed consent of the subject of the study as provided
364.18 in section 13.05, subdivision 4.

364.19 (b) An individual making a request under paragraph (a), clause (2), must agree in writing
364.20 not to disclose the data to any other individual without the consent of the subject of the data.

364.21 (c) The commissioner may use these systems to share background study documentation
364.22 electronically with entities and individuals who are the subject of a background study.

364.23 (d) The commissioner may recover the cost of obtaining and providing background study
364.24 data by charging the individual or entity requesting the study a fee of no more than \$42 per
364.25 study as described in section 245C.10. The fees collected under this paragraph are
364.26 appropriated to the commissioner for the purpose of conducting background studies.

365.1 Sec. 46. Minnesota Statutes 2022, section 524.5-118, is amended to read:

365.2 **524.5-118 BACKGROUND STUDY MALTREATMENT AND STATE LICENSING**
365.3 **AGENCY CHECKS; CRIMINAL HISTORY CHECK.**

365.4 Subdivision 1. **When required; exception.** (a) The court shall require a ~~background~~
365.5 ~~study~~ maltreatment and state licensing agency checks and a criminal history check under
365.6 this section:

365.7 (1) before the appointment of a guardian or conservator, unless a ~~background study~~ has
365.8 maltreatment and state licensing agency checks and a criminal history check have been
365.9 done on the person under this section within the previous five years; and

365.10 (2) once every five years after the appointment, if the person continues to serve as a
365.11 guardian or conservator.

365.12 (b) The ~~background study~~ maltreatment and state licensing agency checks and the
365.13 criminal history check must include:

365.14 (1) criminal history data from the Bureau of Criminal Apprehension, ~~other criminal~~
365.15 ~~history data held by the commissioner of human services, and data regarding whether the~~
365.16 ~~person has been a perpetrator of substantiated maltreatment of a vulnerable adult or minor;~~

365.17 (2) criminal history data from a national criminal history record check as ~~defined in~~
365.18 ~~section 245C.02, subdivision 13e; and~~

365.19 (3) state licensing agency data if a search of the database or databases of the agencies
365.20 listed in subdivision 2a shows that the proposed guardian or conservator has ever held a
365.21 professional license directly related to the responsibilities of a professional fiduciary from
365.22 an agency listed in subdivision 2a that was conditioned, suspended, revoked, or canceled;
365.23 and

365.24 (4) data on whether the person has been a perpetrator of substantiated maltreatment of
365.25 a vulnerable adult or a minor.

365.26 (c) If the guardian or conservator is not an individual, the ~~background study~~ maltreatment
365.27 and state licensing agency checks and the criminal history check must be done on all
365.28 individuals currently employed by the proposed guardian or conservator who will be
365.29 responsible for exercising powers and duties under the guardianship or conservatorship.

365.30 (d) Notwithstanding paragraph (a), if the court determines that it would be in the best
365.31 interests of the person subject to guardianship or conservatorship to appoint a guardian or
365.32 conservator before the ~~background study~~ maltreatment and state licensing agency checks

366.1 and the criminal history check can be completed, the court may make the appointment
 366.2 pending the results of the study checks, however, the ~~background study~~ maltreatment and
 366.3 state licensing agency checks and the criminal history check must then be completed as
 366.4 soon as reasonably possible after appointment, ~~no later than 30 days after appointment.~~

366.5 (e) The ~~fee~~ fees for ~~background studies~~ the maltreatment and state licensing agency
 366.6 checks and the criminal history check conducted under this section ~~is~~ are specified in ~~section~~
 366.7 sections 245C.10, subdivision 14 15, and 299C.10, subdivisions 4 and 5. The ~~fee~~ fees for
 366.8 ~~conducting a background study~~ maltreatment and state licensing agency checks and the
 366.9 criminal history check for the appointment of a professional guardian or conservator must
 366.10 be paid by the guardian or conservator. In other cases, the fee must be paid as follows:

366.11 (1) if the matter is proceeding in forma pauperis, the fee is an expense for purposes of
 366.12 section 524.5-502, paragraph (a);

366.13 (2) if there is an estate of the person subject to guardianship or conservatorship, the fee
 366.14 must be paid from the estate; or

366.15 (3) in the case of a guardianship or conservatorship of the person that is not proceeding
 366.16 in forma pauperis, the court may order that the fee be paid by the guardian or conservator
 366.17 or by the court.

366.18 (f) The requirements of this subdivision do not apply if the guardian or conservator is:

366.19 (1) a state agency or county;

366.20 (2) a parent or guardian of a person proposed to be subject to guardianship or
 366.21 conservatorship who has a developmental disability, if the parent or guardian has raised the
 366.22 person proposed to be subject to guardianship or conservatorship in the family home until
 366.23 the time the petition is filed, unless counsel appointed for the person proposed to be subject
 366.24 to guardianship or conservatorship under section 524.5-205, paragraph (e); 524.5-304,
 366.25 paragraph (b); 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a
 366.26 background study check; or

366.27 (3) a bank with trust powers, bank and trust company, or trust company, organized under
 366.28 the laws of any state or of the United States and which is regulated by the commissioner of
 366.29 commerce or a federal regulator.

366.30 Subd. 2. ~~Procedure; criminal history and maltreatment records background~~
 366.31 maltreatment and state licensing agency checks and criminal history check. (a) The
 366.32 ~~court~~ guardian or conservator shall request the ~~commissioner of human services~~ Bureau of
 366.33 Criminal Apprehension to complete a ~~background study under section 245C.32~~ criminal

367.1 history check. The request must be accompanied by the applicable fee and acknowledgment
367.2 that the ~~study subject~~ guardian or conservator received a privacy notice ~~required under~~
367.3 ~~subdivision 3~~. The ~~commissioner of human services~~ Bureau of Criminal Apprehension shall
367.4 conduct a national criminal history record check. The ~~study subject~~ guardian or conservator
367.5 shall submit a set of classifiable fingerprints. The fingerprints must be recorded on a
367.6 fingerprint card provided by the ~~commissioner of human services~~ Bureau of Criminal
367.7 Apprehension.

367.8 (b) The ~~commissioner of human services~~ Bureau of Criminal Apprehension shall provide
367.9 the court with criminal history data as defined in section 13.87 ~~from the Bureau of Criminal~~
367.10 ~~Apprehension in the Department of Public Safety, other criminal history data held by the~~
367.11 ~~commissioner of human services, data regarding substantiated maltreatment of vulnerable~~
367.12 ~~adults under section 626.557, and substantiated maltreatment of minors under chapter 260E,~~
367.13 and criminal history information from other states or jurisdictions as indicated from a national
367.14 criminal history record check within 20 working days of receipt of a request. ~~If the subject~~
367.15 ~~of the study has been the perpetrator of substantiated maltreatment of a vulnerable adult or~~
367.16 ~~minor, the response must include a copy of the public portion of the investigation~~
367.17 ~~memorandum under section 626.557, subdivision 12b, or the public portion of the~~
367.18 ~~investigation memorandum under section 260E.30. The commissioner shall provide the~~
367.19 ~~court with information from a review of information according to subdivision 2a if the study~~
367.20 ~~subject provided information indicating current or prior affiliation with a state licensing~~
367.21 ~~agency.~~

367.22 (c) In accordance with section 245C.033, the commissioner of human services shall
367.23 provide the court with data regarding substantiated maltreatment of vulnerable adults under
367.24 section 626.557 and substantiated maltreatment of minors under chapter 260E within 25
367.25 working days of receipt of a request. If the guardian or conservator has been the perpetrator
367.26 of substantiated maltreatment of a vulnerable adult or minor, the response must include a
367.27 copy of any available public portion of the investigation memorandum under section 626.557,
367.28 subdivision 12b, or any available public portion of the investigation memorandum under
367.29 section 260E.30.

367.30 (d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner
367.31 of human services or a county lead agency or lead investigative agency has information that
367.32 a person on whom a background study was previously done under this section has been
367.33 determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the
367.34 commissioner or the county may provide this information to the court that requested the
367.35 background study. The commissioner may also provide the court with additional criminal

368.1 ~~history or substantiated maltreatment information that becomes available after the background~~
 368.2 ~~study is done~~ is determining eligibility for the guardian or conservator.

368.3 Subd. 2a. **Procedure; state licensing agency data.** (a) ~~The court shall request~~ In response
 368.4 to a request submitted under section 245C.033, the commissioner of human services to shall
 368.5 ~~provide the court within 25 working days of receipt of the request with~~ licensing agency
 368.6 data for licenses directly related to the responsibilities of a professional fiduciary if the ~~study~~
 368.7 ~~subject indicates~~ guardian or conservator has a current or prior affiliation from the following
 368.8 agencies in Minnesota:

368.9 (1) Lawyers Responsibility Board;

368.10 (2) State Board of Accountancy;

368.11 (3) Board of Social Work;

368.12 (4) Board of Psychology;

368.13 (5) Board of Nursing;

368.14 (6) Board of Medical Practice;

368.15 (7) Department of Education;

368.16 (8) Department of Commerce;

368.17 (9) Board of Chiropractic Examiners;

368.18 (10) Board of Dentistry;

368.19 (11) Board of Marriage and Family Therapy;

368.20 (12) Department of Human Services;

368.21 (13) Peace Officer Standards and Training (POST) Board; and

368.22 (14) Professional Educator Licensing and Standards Board.

368.23 (b) ~~The commissioner shall enter into agreements with these agencies to provide the~~
 368.24 ~~commissioner with electronic access to the relevant licensing data, and to provide the~~
 368.25 ~~commissioner with a quarterly list of new sanctions issued by the agency.~~

368.26 (e) The commissioner shall provide information to the court ~~the electronically available~~
 368.27 ~~data maintained in the agency's database, including whether the proposed guardian or~~
 368.28 ~~conservator is or has been licensed by the agency, and if the licensing agency database~~
 368.29 ~~indicates a disciplinary action or a sanction against the individual's license, including a~~
 368.30 ~~condition, suspension, revocation, or cancellation~~ in accordance with section 245C.033.

369.1 ~~(d) If the proposed guardian or conservator has resided in a state other than Minnesota~~
 369.2 ~~in the previous ten years, licensing agency data under this section shall also include the~~
 369.3 ~~licensing agency data from any other state where the proposed guardian or conservator~~
 369.4 ~~reported to have resided during the previous ten years if the study subject indicates current~~
 369.5 ~~or prior affiliation. If the proposed guardian or conservator has or has had a professional~~
 369.6 ~~license in another state that is directly related to the responsibilities of a professional fiduciary~~
 369.7 ~~from one of the agencies listed under paragraph (a), state licensing agency data shall also~~
 369.8 ~~include data from the relevant licensing agency of that state.~~

369.9 ~~(e) The commissioner is not required to repeat a search for Minnesota or out-of-state~~
 369.10 ~~licensing data on an individual if the commissioner has provided this information to the~~
 369.11 ~~court within the prior five years.~~

369.12 ~~(f) The commissioner shall review the information in paragraph (e) at least once every~~
 369.13 ~~four months to determine if an individual who has been studied within the previous five~~
 369.14 ~~years:~~

369.15 ~~(1) has new disciplinary action or sanction against the individual's license; or~~

369.16 ~~(2) did not disclose a prior or current affiliation with a Minnesota licensing agency.~~

369.17 ~~(g) If the commissioner's review in paragraph (f) identifies new information, the~~
 369.18 ~~commissioner shall provide any new information to the court.~~

369.19 ~~Subd. 3. **Forms and systems.** The court~~ In accordance with section 245C.033, the
 369.20 commissioner must provide the study subject guardian or conservator with a privacy notice
 369.21 for maltreatment and state licensing agency checks that complies with section 245C.05,
 369.22 subdivision 2e. The commissioner of human services shall use the NETStudy 2.0 system
 369.23 to conduct a background study under this section 13.04, subdivision 2. The Bureau of
 369.24 Criminal Apprehension must provide the guardian or conservator with a privacy notice for
 369.25 a criminal history check.

369.26 ~~Subd. 4. **Rights.** The court shall notify the subject of a background study~~ guardian or
 369.27 conservator that the subject guardian or conservator has the following rights:

369.28 ~~(1) the right to be informed that the court will request a background study on the subject~~
 369.29 maltreatment and state licensing checks and a criminal history check on the guardian or
 369.30 conservator for the purpose of determining whether the person's appointment or continued
 369.31 appointment is in the best interests of the person subject to guardianship or conservatorship;

369.32 ~~(2) the right to be informed of the results of the study checks and to obtain from the~~
 369.33 court a copy of the results; and

370.1 (3) the right to challenge the accuracy and completeness of information contained in the
 370.2 results under section 13.04, subdivision 4, except to the extent precluded by section 256.045,
 370.3 subdivision 3.

370.4 Sec. 47. REPEALER.

370.5 (a) Minnesota Statutes 2022, sections 245C.02, subdivision 14b; 245C.032; and 245C.30,
 370.6 subdivision 1a, are repealed.

370.7 (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

370.8 (c) Minnesota Statutes 2022, section 245C.031, subdivisions 5, 6, and 7, are repealed.

370.9 EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024, paragraph (b) is
 370.10 effective April 28, 2025, and paragraph (c) is effective July 1, 2023.

370.11 ARTICLE 8

370.12 LICENSING

370.13 Section 1. Minnesota Statutes 2022, section 119B.16, subdivision 1a, is amended to read:

370.14 Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers
 370.15 caring for children receiving child care assistance.

370.16 (b) A provider may request a fair hearing according to sections 256.045 and 256.046
 370.17 only if a county agency or the commissioner:

370.18 (1) denies or revokes a provider's authorization, unless the action entitles the provider
 370.19 to:

370.20 (i) an administrative review under section 119B.161; or

370.21 (ii) a contested case hearing or an administrative reconsideration under section 245.095;

370.22 (2) assigns responsibility for an overpayment to a provider under section 119B.11,
 370.23 subdivision 2a;

370.24 (3) establishes an overpayment for failure to comply with section 119B.125, subdivision
 370.25 6;

370.26 (4) seeks monetary recovery or recoupment under section 245E.02, subdivision 4,
 370.27 paragraph (c), clause (2);

370.28 (5) initiates an administrative fraud disqualification hearing; or

370.29 (6) issues a payment and the provider disagrees with the amount of the payment.

371.1 (c) A provider may request a fair hearing by submitting a written request to the
 371.2 Department of Human Services, Appeals Division. A provider's request must be received
 371.3 by the Appeals Division no later than 30 days after the date a county or the commissioner
 371.4 mails the notice.

371.5 (d) The provider's appeal request must contain the following:

371.6 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
 371.7 dollar amount involved for each disputed item;

371.8 (2) the computation the provider believes to be correct, if applicable;

371.9 (3) the statute or rule relied on for each disputed item; and

371.10 (4) the name, address, and telephone number of the person at the provider's place of
 371.11 business with whom contact may be made regarding the appeal.

371.12 Sec. 2. Minnesota Statutes 2022, section 245.095, is amended to read:

371.13 **245.095 LIMITS ON RECEIVING PUBLIC FUNDS.**

371.14 Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed,
 371.15 receiving funds under a grant contract, or registered in any program administered by the
 371.16 commissioner, including under the commissioner's powers and authorities in section 256.01,
 371.17 is excluded from that program, the commissioner shall:

371.18 (1) prohibit the excluded provider, vendor, or individual from enrolling, becoming
 371.19 licensed, receiving grant funds, or registering in any other program administered by the
 371.20 commissioner; and

371.21 (2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider,
 371.22 vendor, or individual in any other program administered by the commissioner.

371.23 (b) If a provider, vendor, or individual enrolled, licensed, receiving funds under a grant
 371.24 contract, or registered in any program administered by the commissioner, including under
 371.25 the commissioner's powers and authorities in section 256.01, is excluded from that program,
 371.26 the commissioner may:

371.27 (1) prohibit any associated entities or associated individuals from enrolling, becoming
 371.28 licensed, receiving grant funds, or registering in any other program administered by the
 371.29 commissioner; and

371.30 (2) disenroll, revoke or suspend a license of, disqualify, or debar any associated entities
 371.31 or associated individuals in any other program administered by the commissioner.

372.1 (c) If a provider, vendor, or individual enrolled, licensed, or otherwise receiving funds
 372.2 under any contract or registered in any program administered by a Minnesota state or federal
 372.3 agency is excluded from that program, the commissioner of human services may:

372.4 (1) prohibit the excluded provider, vendor, individual, or any associated entities or
 372.5 associated individuals from enrolling, becoming licensed, receiving grant funds, or registering
 372.6 in any program administered by the commissioner; and

372.7 (2) disenroll, revoke or suspend a license of, disqualify, or debar the excluded provider,
 372.8 vendor, individual, or any associated entities or associated individuals in any program
 372.9 administered by the commissioner.

372.10 ~~(b)~~ (d) The duration of this a prohibition, disenrollment, revocation, suspension,
 372.11 disqualification, or debarment under paragraph (a) must last for the longest applicable
 372.12 sanction or disqualifying period in effect for the provider, vendor, or individual permitted
 372.13 by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension,
 372.14 disqualification, or debarment under paragraphs (b) and (c) may last until up to the longest
 372.15 applicable sanction or disqualifying period in effect for the provider, vendor, individual,
 372.16 associated entity, or associated individual as permitted by state or federal law.

372.17 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the
 372.18 meanings given ~~them~~.

372.19 (b) "Associated entity" means a provider or vendor owned or controlled by an excluded
 372.20 individual.

372.21 (c) "Associated individual" means an individual or entity that has a relationship with
 372.22 the business or its owners or controlling individuals, such that the individual or entity would
 372.23 have knowledge of the financial practices of the program in question.

372.24 ~~(b)~~ (d) "Excluded" means disenrolled, disqualified, having a license that has been revoked
 372.25 or suspended under chapter 245A, or debarred or suspended under Minnesota Rules, part
 372.26 1230.1150, or excluded pursuant to section 256B.064, subdivision 3 removed under other
 372.27 authorities from a program administered by a Minnesota state or federal agency, including
 372.28 a final determination to stop payments.

372.29 ~~(e)~~ (e) "Individual" means a natural person providing products or services as a provider
 372.30 or vendor.

372.31 ~~(d)~~ (f) "Provider" includes any entity or individual receiving payment from a program
 372.32 administered by the Department of Human Services, and an owner, controlling individual,
 372.33 license holder, director, or managerial official of an entity receiving payment from a program

373.1 ~~administered by the Department of Human Services~~ means any entity, individual, owner,
 373.2 controlling individual, license holder, director, or managerial official of an entity receiving
 373.3 payment from a program administered by a Minnesota state or federal agency.

373.4 Subd. 3. **Notice.** Within five days of taking an action under subdivision (1), paragraph
 373.5 (a), (b), or (c), against a provider, vendor, individual, associated individual, or associated
 373.6 entity, the commissioner must send notice of the action to the provider, vendor, individual,
 373.7 associated individual, or associated entity. The notice must state:

373.8 (1) the basis for the action;

373.9 (2) the effective date of the action;

373.10 (3) the right to appeal the action; and

373.11 (4) the requirements and procedures for reinstatement.

373.12 Subd. 4. **Appeal.** Upon receipt of a notice under subdivision 3, a provider, vendor,
 373.13 individual, associated individual, or associated entity may request a contested case hearing,
 373.14 as defined in section 14.02, subdivision 3, by filing with the commissioner a written request
 373.15 of appeal. The scope of any contested case hearing is solely limited to action taken under
 373.16 this section. The commissioner must receive the appeal request no later than 30 days after
 373.17 the date the notice was mailed to the provider, vendor, individual, associated individual, or
 373.18 associated entity. The appeal request must specify:

373.19 (1) each disputed item and the reason for the dispute;

373.20 (2) the authority in statute or rule upon which the provider, vendor, individual, associated
 373.21 individual, or associated entity relies for each disputed item;

373.22 (3) the name and address of the person or entity with whom contacts may be made
 373.23 regarding the appeal; and

373.24 (4) any other information required by the commissioner.

373.25 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal
 373.26 law, the commissioner may withhold payments to a provider, vendor, individual, associated
 373.27 individual, or associated entity in any program administered by the commissioner if the
 373.28 commissioner determines there is a credible allegation of fraud for which an investigation
 373.29 is pending for a program administered by a Minnesota state or federal agency.

373.30 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
 373.31 that has been verified by the commissioner from any source, including but not limited to:

373.32 (1) fraud hotline complaints;

- 374.1 (2) claims data mining;
- 374.2 (3) patterns identified through provider audits, civil false claims cases, and law
374.3 enforcement investigations; and
- 374.4 (4) court filings and other legal documents, including but not limited to police reports,
374.5 complaints, indictments, informations, affidavits, declarations, and search warrants.
- 374.6 (c) The commissioner must send notice of the withholding of payments within five days
374.7 of taking such action. The notice must:
- 374.8 (1) state that payments are being withheld according to this subdivision;
- 374.9 (2) set forth the general allegations related to the withholding action, except the notice
374.10 need not disclose specific information concerning an ongoing investigation;
- 374.11 (3) state that the withholding is for a temporary period and cite the circumstances under
374.12 which the withholding will be terminated; and
- 374.13 (4) inform the provider, vendor, individual, associated individual, or associated entity
374.14 of the right to submit written evidence to contest the withholding action for consideration
374.15 by the commissioner.
- 374.16 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
374.17 individual, associated individual, or associated entity has a right to request administrative
374.18 reconsideration. A request for administrative reconsideration must be made in writing, state
374.19 with specificity the reasons the payment withholding decision is in error, and include
374.20 documents to support the request. Within 60 days from receipt of the request, the
374.21 commissioner shall judiciously review allegations, facts, evidence available to the
374.22 commissioner, and information submitted by the provider, vendor, individual, associated
374.23 individual, or associated entity to determine whether the payment withholding should remain
374.24 in place.
- 374.25 (e) The commissioner shall stop withholding payments if the commissioner determines
374.26 there is insufficient evidence of fraud by the provider, vendor, individual, associated
374.27 individual, or associated entity or when legal proceedings relating to the alleged fraud are
374.28 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
374.29 vendor, individual, associated individual, or associated entity.
- 374.30 (f) The withholding of payments is a temporary action and is not subject to appeal under
374.31 section 256.045 or chapter 14.

375.1 Sec. 3. Minnesota Statutes 2022, section 245A.02, subdivision 2c, is amended to read:

375.2 Subd. 2c. **Annual or annually; family child care training requirements.** For the
 375.3 purposes of sections 245A.50 to 245A.53, "annual" or "annually" means ~~the 12-month~~
 375.4 ~~period beginning on the license effective date or the annual anniversary of the effective date~~
 375.5 ~~and ending on the day prior to the annual anniversary of the license effective date~~ each
 375.6 calendar year.

375.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

375.8 Sec. 4. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to
 375.9 read:

375.10 **Subd. 5b. Cradleboard.** "Cradleboard" means a board or frame on which an infant is
 375.11 secured using blankets or other material, such as fabric or leather sides, and laces and often
 375.12 has a frame extending to protect the infant's head. The infant is always placed with the
 375.13 infant's head facing outward, and the infant remains supervised in the cradleboard while
 375.14 sleeping or being carried.

375.15 **EFFECTIVE DATE.** This section is effective January 1, 2024.

375.16 Sec. 5. Minnesota Statutes 2022, section 245A.02, subdivision 6b, is amended to read:

375.17 Subd. 6b. **Experience.** For purposes of child care centers, "experience" ~~includes means~~
 375.18 ~~paid or unpaid employment serving children as a teacher, assistant teacher, aide, or a student~~
 375.19 ~~intern in a licensed child care center, in a public or nonpublic school, or in a program licensed~~
 375.20 ~~as a family day care or group family day care provider.:~~

375.21 (1) caring for children as a teacher, assistant teacher, aide, or student intern:

375.22 (i) in a licensed child care center, a licensed family day care or group family day care,
 375.23 or a Tribally licensed child care program in any United States state or territory; or

375.24 (ii) in a public or nonpublic school;

375.25 (2) caring for children as a staff person or unsupervised volunteer in a certified,
 375.26 license-exempt child care center under chapter 245H; or

375.27 (3) providing direct contact services in a home or residential facility serving children
 375.28 with disabilities that requires a background study under section 245C.03.

375.29 **EFFECTIVE DATE.** This section is effective October 1, 2023.

376.1 Sec. 6. Minnesota Statutes 2022, section 245A.03, subdivision 2, is amended to read:

376.2 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

376.3 (1) residential or nonresidential programs that are provided to a person by an individual
376.4 who is related unless the residential program is a child foster care placement made by a
376.5 local social services agency or a licensed child-placing agency, except as provided in
376.6 subdivision 2a;

376.7 (2) nonresidential programs that are provided by an unrelated individual to persons from
376.8 a single related family;

376.9 (3) residential or nonresidential programs that are provided to adults who do not misuse
376.10 substances or have a substance use disorder, a mental illness, a developmental disability, a
376.11 functional impairment, or a physical disability;

376.12 (4) sheltered workshops or work activity programs that are certified by the commissioner
376.13 of employment and economic development;

376.14 (5) programs operated by a public school for children 33 months or older;

376.15 (6) nonresidential programs primarily for children that provide care or supervision for
376.16 periods of less than three hours a day while the child's parent or legal guardian is in the
376.17 same building as the nonresidential program or present within another building that is
376.18 directly contiguous to the building in which the nonresidential program is located;

376.19 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
376.20 under section 245A.02;

376.21 (8) board and lodge facilities licensed by the commissioner of health that do not provide
376.22 children's residential services under Minnesota Rules, chapter 2960, mental health or
376.23 substance use disorder treatment;

376.24 (9) homes providing programs for persons placed by a county or a licensed agency for
376.25 legal adoption, unless the adoption is not completed within two years;

376.26 (10) programs licensed by the commissioner of corrections;

376.27 (11) recreation programs for children or adults that are operated or approved by a park
376.28 and recreation board whose primary purpose is to provide social and recreational activities;

376.29 (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
376.30 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
376.31 section 315.51, whose primary purpose is to provide child care or services to school-age
376.32 children;

377.1 (13) Head Start nonresidential programs which operate for less than 45 days in each
377.2 calendar year;

377.3 (14) noncertified boarding care homes unless they provide services for five or more
377.4 persons whose primary diagnosis is mental illness or a developmental disability;

377.5 (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
377.6 programs, and nonresidential programs for children provided for a cumulative total of less
377.7 than 30 days in any 12-month period;

377.8 (16) residential programs for persons with mental illness, that are located in hospitals;

377.9 (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
377.10 congregate care of children by a church, congregation, or religious society during the period
377.11 used by the church, congregation, or religious society for its regular worship;

377.12 (18) camps licensed by the commissioner of health under Minnesota Rules, chapter
377.13 4630;

377.14 (19) mental health outpatient services for adults with mental illness or children with
377.15 emotional disturbance;

377.16 (20) residential programs serving school-age children whose sole purpose is cultural or
377.17 educational exchange, until the commissioner adopts appropriate rules;

377.18 (21) community support services programs as defined in section 245.462, subdivision
377.19 6, and family community support services as defined in section 245.4871, subdivision 17;

377.20 (22) the placement of a child by a birth parent or legal guardian in a preadoptive home
377.21 for purposes of adoption as authorized by section 259.47;

377.22 (23) settings registered under chapter 144D which provide home care services licensed
377.23 by the commissioner of health to fewer than seven adults;

377.24 (24) substance use disorder treatment activities of licensed professionals in private
377.25 practice as defined in section 245G.01, subdivision 17;

377.26 (25) consumer-directed community support service funded under the Medicaid waiver
377.27 for persons with developmental disabilities when the individual who provided the service
377.28 is:

377.29 (i) the same individual who is the direct payee of these specific waiver funds or paid by
377.30 a fiscal agent, fiscal intermediary, or employer of record; and

378.1 (ii) not otherwise under the control of a residential or nonresidential program that is
378.2 required to be licensed under this chapter when providing the service;

378.3 (26) a program serving only children who are age 33 months or older, that is operated
378.4 by a nonpublic school, for no more than four hours per day per child, with no more than 20
378.5 children at any one time, and that is accredited by:

378.6 (i) an accrediting agency that is formally recognized by the commissioner of education
378.7 as a nonpublic school accrediting organization; or

378.8 (ii) an accrediting agency that requires background studies and that receives and
378.9 investigates complaints about the services provided.

378.10 A program that asserts its exemption from licensure under item (ii) shall, upon request
378.11 from the commissioner, provide the commissioner with documentation from the accrediting
378.12 agency that verifies: that the accreditation is current; that the accrediting agency investigates
378.13 complaints about services; and that the accrediting agency's standards require background
378.14 studies on all people providing direct contact services;

378.15 (27) a program operated by a nonprofit organization incorporated in Minnesota or another
378.16 state that serves youth in kindergarten through grade 12; provides structured, supervised
378.17 youth development activities; and has learning opportunities take place before or after
378.18 school, on weekends, or during the summer or other seasonal breaks in the school calendar.
378.19 A program exempt under this clause is not eligible for child care assistance under chapter
378.20 119B. A program exempt under this clause must:

378.21 (i) have a director or supervisor on site who is responsible for overseeing written policies
378.22 relating to the management and control of the daily activities of the program, ensuring the
378.23 health and safety of program participants, and supervising staff and volunteers;

378.24 (ii) have obtained written consent from a parent or legal guardian for each youth
378.25 participating in activities at the site; and

378.26 (iii) have provided written notice to a parent or legal guardian for each youth at the site
378.27 that the program is not licensed or supervised by the state of Minnesota and is not eligible
378.28 to receive child care assistance payments;

378.29 (28) a county that is an eligible vendor under section 254B.05 to provide care coordination
378.30 and comprehensive assessment services; ~~or~~

378.31 (29) a recovery community organization that is an eligible vendor under section 254B.05
378.32 to provide peer recovery support services; or

379.1 (30) Head Start programs that serve only children who are at least three years old but
379.2 not yet six years old.

379.3 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
379.4 building in which a nonresidential program is located if it shares a common wall with the
379.5 building in which the nonresidential program is located or is attached to that building by
379.6 skyway, tunnel, atrium, or common roof.

379.7 (c) Except for the home and community-based services identified in section 245D.03,
379.8 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
379.9 provided and funded according to an approved federal waiver plan where licensure is
379.10 specifically identified as not being a condition for the services and funding.

379.11 **EFFECTIVE DATE.** This section is effective January 1, 2024.

379.12 Sec. 7. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

379.13 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
379.14 entity that is subject to licensure under section 245A.03 must apply for a license. The
379.15 application must be made on the forms and in the manner prescribed by the commissioner.
379.16 The commissioner shall provide the applicant with instruction in completing the application
379.17 and provide information about the rules and requirements of other state agencies that affect
379.18 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
379.19 Minnesota must have a program office located within 30 miles of the Minnesota border.
379.20 An applicant who intends to buy or otherwise acquire a program or services licensed under
379.21 this chapter that is owned by another license holder must apply for a license under this
379.22 chapter and comply with the application procedures in this section and section 245A.03.

379.23 The commissioner shall act on the application within 90 working days after a complete
379.24 application and any required reports have been received from other state agencies or
379.25 departments, counties, municipalities, or other political subdivisions. The commissioner
379.26 shall not consider an application to be complete until the commissioner receives all of the
379.27 required information.

379.28 When the commissioner receives an application for initial licensure that is incomplete
379.29 because the applicant failed to submit required documents or that is substantially deficient
379.30 because the documents submitted do not meet licensing requirements, the commissioner
379.31 shall provide the applicant written notice that the application is incomplete or substantially
379.32 deficient. In the written notice to the applicant the commissioner shall identify documents
379.33 that are missing or deficient and give the applicant 45 days to resubmit a second application

380.1 that is substantially complete. An applicant's failure to submit a substantially complete
380.2 application after receiving notice from the commissioner is a basis for license denial under
380.3 section 245A.05.

380.4 (b) An application for licensure must identify all controlling individuals as defined in
380.5 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
380.6 agent. The application must be signed by the authorized agent and must include the authorized
380.7 agent's first, middle, and last name; mailing address; and email address. By submitting an
380.8 application for licensure, the authorized agent consents to electronic communication with
380.9 the commissioner throughout the application process. The authorized agent must be
380.10 authorized to accept service on behalf of all of the controlling individuals. A government
380.11 entity that holds multiple licenses under this chapter may designate one authorized agent
380.12 for all licenses issued under this chapter or may designate a different authorized agent for
380.13 each license. Service on the authorized agent is service on all of the controlling individuals.
380.14 It is not a defense to any action arising under this chapter that service was not made on each
380.15 controlling individual. The designation of a controlling individual as the authorized agent
380.16 under this paragraph does not affect the legal responsibility of any other controlling individual
380.17 under this chapter.

380.18 (c) An applicant or license holder must have a policy that prohibits license holders,
380.19 employees, subcontractors, and volunteers, when directly responsible for persons served
380.20 by the program, from abusing prescription medication or being in any manner under the
380.21 influence of a chemical that impairs the individual's ability to provide services or care. The
380.22 license holder must train employees, subcontractors, and volunteers about the program's
380.23 drug and alcohol policy.

380.24 (d) An applicant and license holder must have a program grievance procedure that permits
380.25 persons served by the program and their authorized representatives to bring a grievance to
380.26 the highest level of authority in the program.

380.27 (e) The commissioner may limit communication during the application process to the
380.28 authorized agent or the controlling individuals identified on the license application and for
380.29 whom a background study was initiated under chapter 245C. Upon implementation of the
380.30 provider licensing and reporting hub, applicants and license holders must use the hub in the
380.31 manner prescribed by the commissioner. The commissioner may require the applicant,
380.32 except for child foster care, to demonstrate competence in the applicable licensing
380.33 requirements by successfully completing a written examination. The commissioner may
380.34 develop a prescribed written examination format.

381.1 (f) When an applicant is an individual, the applicant must provide:

381.2 (1) the applicant's taxpayer identification numbers including the Social Security number
381.3 or Minnesota tax identification number, and federal employer identification number if the
381.4 applicant has employees;

381.5 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
381.6 of state that includes the complete business name, if any;

381.7 (3) if doing business under a different name, the doing business as (DBA) name, as
381.8 registered with the secretary of state;

381.9 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
381.10 Minnesota Provider Identifier (UMPI) number; and

381.11 (5) at the request of the commissioner, the notarized signature of the applicant or
381.12 authorized agent.

381.13 (g) When an applicant is an organization, the applicant must provide:

381.14 (1) the applicant's taxpayer identification numbers including the Minnesota tax
381.15 identification number and federal employer identification number;

381.16 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
381.17 of state that includes the complete business name, and if doing business under a different
381.18 name, the doing business as (DBA) name, as registered with the secretary of state;

381.19 (3) the first, middle, and last name, and address for all individuals who will be controlling
381.20 individuals, including all officers, owners, and managerial officials as defined in section
381.21 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
381.22 for each controlling individual;

381.23 (4) if applicable, the applicant's NPI number and UMPI number;

381.24 (5) the documents that created the organization and that determine the organization's
381.25 internal governance and the relations among the persons that own the organization, have
381.26 an interest in the organization, or are members of the organization, in each case as provided
381.27 or authorized by the organization's governing statute, which may include a partnership
381.28 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
381.29 or comparable documents as provided in the organization's governing statute; and

381.30 (6) the notarized signature of the applicant or authorized agent.

381.31 (h) When the applicant is a government entity, the applicant must provide:

382.1 (1) the name of the government agency, political subdivision, or other unit of government
 382.2 seeking the license and the name of the program or services that will be licensed;

382.3 (2) the applicant's taxpayer identification numbers including the Minnesota tax
 382.4 identification number and federal employer identification number;

382.5 (3) a letter signed by the manager, administrator, or other executive of the government
 382.6 entity authorizing the submission of the license application; and

382.7 (4) if applicable, the applicant's NPI number and UMPI number.

382.8 (i) At the time of application for licensure or renewal of a license under this chapter, the
 382.9 applicant or license holder must acknowledge on the form provided by the commissioner
 382.10 if the applicant or license holder elects to receive any public funding reimbursement from
 382.11 the commissioner for services provided under the license that:

382.12 (1) the applicant's or license holder's compliance with the provider enrollment agreement
 382.13 or registration requirements for receipt of public funding may be monitored by the
 382.14 commissioner as part of a licensing investigation or licensing inspection; and

382.15 (2) noncompliance with the provider enrollment agreement or registration requirements
 382.16 for receipt of public funding that is identified through a licensing investigation or licensing
 382.17 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
 382.18 reimbursement for a service, may result in:

382.19 (i) a correction order or a conditional license under section 245A.06, or sanctions under
 382.20 section 245A.07;

382.21 (ii) nonpayment of claims submitted by the license holder for public program
 382.22 reimbursement;

382.23 (iii) recovery of payments made for the service;

382.24 (iv) disenrollment in the public payment program; or

382.25 (v) other administrative, civil, or criminal penalties as provided by law.

382.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

382.27 Sec. 8. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

382.28 Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
 382.29 commissioner shall conduct an inspection of the program. The inspection must include but
 382.30 is not limited to:

382.31 (1) an inspection of the physical plant;

383.1 (2) an inspection of records and documents;

383.2 (3) observation of the program in operation; and

383.3 (4) an inspection for the health, safety, and fire standards in licensing requirements for
383.4 a child care license holder.

383.5 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
383.6 under subdivision 7. If the commissioner issues a license under this chapter, these
383.7 requirements must be completed within one year after the issuance of the license.

383.8 (c) Before completing a licensing inspection in a family child care program or child care
383.9 center, the licensing agency must offer the license holder an exit interview to discuss
383.10 violations or potential violations of law or rule observed during the inspection and offer
383.11 technical assistance on how to comply with applicable laws and rules. The commissioner
383.12 shall not issue a correction order or negative licensing action for violations of law or rule
383.13 not discussed in an exit interview, unless a license holder chooses not to participate in an
383.14 exit interview or not to complete the exit interview. If the license holder is unable to complete
383.15 the exit interview, the licensing agency must offer an alternate time for the license holder
383.16 to complete the exit interview.

383.17 (d) If a family child care license holder disputes a county licenser's interpretation of a
383.18 licensing requirement during a licensing inspection or exit interview, the license holder
383.19 may, within five business days after the exit interview or licensing inspection, request
383.20 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
383.21 The license holder's request must describe the county licenser's interpretation of the licensing
383.22 requirement at issue, and explain why the license holder believes the county licenser's
383.23 interpretation is inaccurate. The commissioner and the county must include the license
383.24 holder in all correspondence regarding the disputed interpretation, and must provide an
383.25 opportunity for the license holder to contribute relevant information that may impact the
383.26 commissioner's decision. The county licenser must not issue a correction order related to
383.27 the disputed licensing requirement until the commissioner has provided clarification to the
383.28 license holder about the licensing requirement.

383.29 (e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar
383.30 year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502
383.31 or 9503, for compliance with applicable licensing standards.

383.32 (f) No later than November 19, 2017, the commissioner shall make publicly available
383.33 on the department's website the results of inspection reports of all child care providers
383.34 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the

384.1 number of deaths, serious injuries, and instances of substantiated child maltreatment that
384.2 occurred in licensed child care settings each year.

384.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

384.4 Sec. 9. Minnesota Statutes 2022, section 245A.04, subdivision 7a, is amended to read:

384.5 Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner, in
384.6 a manner prescribed by the commissioner, and obtain the commissioner's approval before
384.7 making any change that would alter the license information listed under subdivision 7,
384.8 paragraph (a).

384.9 (b) A license holder must also notify the commissioner, in a manner prescribed by the
384.10 commissioner, before making any change:

384.11 (1) to the license holder's authorized agent as defined in section 245A.02, subdivision
384.12 3b;

384.13 (2) to the license holder's controlling individual as defined in section 245A.02, subdivision
384.14 5a;

384.15 (3) to the license holder information on file with the secretary of state;

384.16 (4) in the location of the program or service licensed under this chapter; and

384.17 (5) to the federal or state tax identification number associated with the license holder.

384.18 (c) When, for reasons beyond the license holder's control, a license holder cannot provide
384.19 the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the
384.20 license holder must notify the commissioner by the tenth business day after the change and
384.21 must provide any additional information requested by the commissioner.

384.22 (d) When a license holder notifies the commissioner of a change to the license holder
384.23 information on file with the secretary of state, the license holder must provide amended
384.24 articles of incorporation and other documentation of the change.

384.25 (e) Upon implementation of the provider licensing and reporting hub, license holders
384.26 must enter and update information in the hub in a manner prescribed by the commissioner.

384.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

384.28 Sec. 10. Minnesota Statutes 2022, section 245A.05, is amended to read:

384.29 **245A.05 DENIAL OF APPLICATION.**

384.30 (a) The commissioner may deny a license if an applicant or controlling individual:

385.1 (1) fails to submit a substantially complete application after receiving notice from the
385.2 commissioner under section 245A.04, subdivision 1;

385.3 (2) fails to comply with applicable laws or rules;

385.4 (3) knowingly withholds relevant information from or gives false or misleading
385.5 information to the commissioner in connection with an application for a license or during
385.6 an investigation;

385.7 (4) has a disqualification that has not been set aside under section 245C.22 and no
385.8 variance has been granted;

385.9 (5) has an individual living in the household who received a background study under
385.10 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
385.11 has not been set aside under section 245C.22, and no variance has been granted;

385.12 (6) is associated with an individual who received a background study under section
385.13 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
385.14 children or vulnerable adults, and who has a disqualification that has not been set aside
385.15 under section 245C.22, and no variance has been granted;

385.16 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

385.17 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
385.18 6;

385.19 (9) has a history of noncompliance as a license holder or controlling individual with
385.20 applicable laws or rules, including but not limited to this chapter and chapters 119B and
385.21 245C;

385.22 (10) is prohibited from holding a license according to section 245.095; or

385.23 (11) for a family foster setting, has or has an individual who is living in the household
385.24 where the licensed services are provided or is otherwise subject to a background study who
385.25 has nondisqualifying background study information, as described in section 245C.05,
385.26 subdivision 4, that reflects on the individual's applicant's ability to safely provide care to
385.27 foster children.

385.28 (b) An applicant whose application has been denied by the commissioner must be given
385.29 notice of the denial, which must state the reasons for the denial in plain language. Notice
385.30 must be given by certified mail ~~or~~, by personal service, or through the provider licensing
385.31 and reporting hub. The notice must state the reasons the application was denied and must
385.32 inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota

386.1 Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
 386.2 commissioner in writing by certified mail ~~or~~, by personal service, or through the provider
 386.3 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
 386.4 commissioner within 20 calendar days after the applicant received the notice of denial. If
 386.5 an appeal request is made by personal service, it must be received by the commissioner
 386.6 within 20 calendar days after the applicant received the notice of denial. If the order is issued
 386.7 through the provider hub, the appeal must be received by the commissioner within 20
 386.8 calendar days from the date the commissioner issued the order through the hub. Section
 386.9 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

386.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

386.11 Sec. 11. Minnesota Statutes 2022, section 245A.055, subdivision 2, is amended to read:

386.12 Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must
 386.13 notify the license holder of closure by certified mail ~~or~~, by personal service, or through the
 386.14 provider licensing and reporting hub. If mailed, the notice of closure must be mailed to the
 386.15 last known address of the license holder and must inform the license holder why the license
 386.16 was closed and that the license holder has the right to request reconsideration of the closure.
 386.17 If the license holder believes that the license was closed in error, the license holder may ask
 386.18 the commissioner to reconsider the closure. The license holder's request for reconsideration
 386.19 must be made in writing and must include documentation that the licensed program has
 386.20 served a client in the previous 12 months. The request for reconsideration must be postmarked
 386.21 and sent to the commissioner or submitted through the provider licensing and reporting hub
 386.22 within 20 calendar days after the license holder receives the notice of closure. Upon
 386.23 implementation of the provider licensing and reporting hub, the provider must use the hub
 386.24 to request reconsideration. If the order is issued through the provider hub, the reconsideration
 386.25 must be received by the commissioner within 20 calendar days from the date the
 386.26 commissioner issued the order through the hub. A timely request for reconsideration stays
 386.27 imposition of the license closure until the commissioner issues a decision on the request for
 386.28 reconsideration.

386.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

386.30 Sec. 12. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

386.31 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the
 386.32 commissioner finds that the applicant or license holder has failed to comply with an
 386.33 applicable law or rule and this failure does not imminently endanger the health, safety, or

387.1 rights of the persons served by the program, the commissioner may issue a correction order
387.2 and an order of conditional license to the applicant or license holder. When issuing a
387.3 conditional license, the commissioner shall consider the nature, chronicity, or severity of
387.4 the violation of law or rule and the effect of the violation on the health, safety, or rights of
387.5 persons served by the program. The correction order or conditional license must state the
387.6 following in plain language:

387.7 (1) the conditions that constitute a violation of the law or rule;

387.8 (2) the specific law or rule violated;

387.9 (3) the time allowed to correct each violation; and

387.10 (4) if a license is made conditional, the length and terms of the conditional license, and
387.11 the reasons for making the license conditional.

387.12 (b) Nothing in this section prohibits the commissioner from proposing a sanction as
387.13 specified in section 245A.07, prior to issuing a correction order or conditional license.

387.14 (c) The commissioner may issue a correction order and an order of conditional license
387.15 to the applicant or license holder through the provider licensing and reporting hub.

387.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

387.17 Sec. 13. Minnesota Statutes 2022, section 245A.06, subdivision 2, is amended to read:

387.18 Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder
387.19 believes that the contents of the commissioner's correction order are in error, the applicant
387.20 or license holder may ask the Department of Human Services to reconsider the parts of the
387.21 correction order that are alleged to be in error. The request for reconsideration must be made
387.22 in writing and must be postmarked and sent to the commissioner within 20 calendar days
387.23 after receipt of the correction order by the applicant or license holder or submitted in the
387.24 provider licensing and reporting hub within 20 calendar days from the date the commissioner
387.25 issued the order through the hub, and:

387.26 (1) specify the parts of the correction order that are alleged to be in error;

387.27 (2) explain why they are in error; and

387.28 (3) include documentation to support the allegation of error.

387.29 Upon implementation of the provider licensing and reporting hub, the provider must use
387.30 the hub to request reconsideration. A request for reconsideration does not stay any provisions

388.1 or requirements of the correction order. The commissioner's disposition of a request for
388.2 reconsideration is final and not subject to appeal under chapter 14.

388.3 (b) This paragraph applies only to licensed family child care providers. A licensed family
388.4 child care provider who requests reconsideration of a correction order under paragraph (a)
388.5 may also request, on a form and in the manner prescribed by the commissioner, that the
388.6 commissioner expedite the review if:

388.7 (1) the provider is challenging a violation and provides a description of how complying
388.8 with the corrective action for that violation would require the substantial expenditure of
388.9 funds or a significant change to their program; and

388.10 (2) describes what actions the provider will take in lieu of the corrective action ordered
388.11 to ensure the health and safety of children in care pending the commissioner's review of the
388.12 correction order.

388.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

388.14 Sec. 14. Minnesota Statutes 2022, section 245A.06, subdivision 4, is amended to read:

388.15 Subd. 4. **Notice of conditional license; reconsideration of conditional license.** (a) If
388.16 a license is made conditional, the license holder must be notified of the order by certified
388.17 mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed,
388.18 the notice must be mailed to the address shown on the application or the last known address
388.19 of the license holder. The notice must state the reasons the conditional license was ordered
388.20 and must inform the license holder of the right to request reconsideration of the conditional
388.21 license by the commissioner. The license holder may request reconsideration of the order
388.22 of conditional license by notifying the commissioner by certified mail ~~or~~, by personal service,
388.23 or through the provider licensing and reporting hub. The request must be made in writing.
388.24 If sent by certified mail, the request must be postmarked and sent to the commissioner within
388.25 ten calendar days after the license holder received the order. If a request is made by personal
388.26 service, it must be received by the commissioner within ten calendar days after the license
388.27 holder received the order. If the order is issued through the provider hub, the request must
388.28 be received by the commissioner within ten calendar days from the date the commissioner
388.29 issued the order through the hub. The license holder may submit with the request for
388.30 reconsideration written argument or evidence in support of the request for reconsideration.
388.31 A timely request for reconsideration shall stay imposition of the terms of the conditional
388.32 license until the commissioner issues a decision on the request for reconsideration. If the
388.33 commissioner issues a dual order of conditional license under this section and an order to
388.34 pay a fine under section 245A.07, subdivision 3, the license holder has a right to a contested

389.1 case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The
389.2 scope of the contested case hearing shall include the fine and the conditional license. In this
389.3 case, a reconsideration of the conditional license will not be conducted under this section.
389.4 If the license holder does not appeal the fine, the license holder does not have a right to a
389.5 contested case hearing and a reconsideration of the conditional license must be conducted
389.6 under this subdivision.

389.7 (b) The commissioner's disposition of a request for reconsideration is final and not
389.8 subject to appeal under chapter 14.

389.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

389.10 Sec. 15. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

389.11 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
389.12 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
389.13 or secure an injunction against the continuing operation of the program of a license holder
389.14 who:

389.15 (1) does not comply with applicable law or rule, ~~or who;~~

389.16 (2) has nondisqualifying background study information, as described in section 245C.05,
389.17 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
389.18 children; or

389.19 (3) has an individual living in the household where the licensed services are provided
389.20 or is otherwise subject to a background study, and the individual has nondisqualifying
389.21 background study information, as described in section 245C.05, subdivision 4, that reflects
389.22 on the license holder's ability to safely provide care to foster children.

389.23 When applying sanctions authorized under this section, the commissioner shall consider
389.24 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
389.25 on the health, safety, or rights of persons served by the program.

389.26 (b) If a license holder appeals the suspension or revocation of a license and the license
389.27 holder continues to operate the program pending a final order on the appeal, the commissioner
389.28 shall issue the license holder a temporary provisional license. Unless otherwise specified
389.29 by the commissioner, variances in effect on the date of the license sanction under appeal
389.30 continue under the temporary provisional license. If a license holder fails to comply with
389.31 applicable law or rule while operating under a temporary provisional license, the
389.32 commissioner may impose additional sanctions under this section and section 245A.06, and
389.33 may terminate any prior variance. If a temporary provisional license is set to expire, a new

390.1 temporary provisional license shall be issued to the license holder upon payment of any fee
 390.2 required under section 245A.10. The temporary provisional license shall expire on the date
 390.3 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
 390.4 license shall be issued for the remainder of the current license period.

390.5 (c) If a license holder is under investigation and the license issued under this chapter is
 390.6 due to expire before completion of the investigation, the program shall be issued a new
 390.7 license upon completion of the reapplication requirements and payment of any applicable
 390.8 license fee. Upon completion of the investigation, a licensing sanction may be imposed
 390.9 against the new license under this section, section 245A.06, or 245A.08.

390.10 (d) Failure to reapply or closure of a license issued under this chapter by the license
 390.11 holder prior to the completion of any investigation shall not preclude the commissioner
 390.12 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
 390.13 of the investigation.

390.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

390.15 Sec. 16. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

390.16 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
 390.17 or revoke a license, or impose a fine if:

390.18 (1) a license holder fails to comply fully with applicable laws or rules including but not
 390.19 limited to the requirements of this chapter and chapter 245C;

390.20 (2) a license holder, a controlling individual, or an individual living in the household
 390.21 where the licensed services are provided or is otherwise subject to a background study has
 390.22 been disqualified and the disqualification was not set aside and no variance has been granted;

390.23 (3) a license holder knowingly withholds relevant information from or gives false or
 390.24 misleading information to the commissioner in connection with an application for a license,
 390.25 in connection with the background study status of an individual, during an investigation,
 390.26 or regarding compliance with applicable laws or rules;

390.27 (4) a license holder is excluded from any program administered by the commissioner
 390.28 under section 245.095; ~~or~~

390.29 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d);₂

390.30 (6) for a family foster setting, a license holder, or an individual living in the household
 390.31 where the licensed services are provided or who is otherwise subject to a background study
 390.32 has nondisqualifying background study information, as described in section 245C.05,

391.1 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
391.2 children; or

391.3 (7) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

391.4 A license holder who has had a license issued under this chapter suspended, revoked,
391.5 or has been ordered to pay a fine must be given notice of the action by certified mail ~~or~~, by
391.6 personal service, or through the provider licensing and reporting hub. If mailed, the notice
391.7 must be mailed to the address shown on the application or the last known address of the
391.8 license holder. The notice must state in plain language the reasons the license was suspended
391.9 or revoked, or a fine was ordered.

391.10 (b) If the license was suspended or revoked, the notice must inform the license holder
391.11 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
391.12 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
391.13 a license. The appeal of an order suspending or revoking a license must be made in writing
391.14 by certified mail ~~or~~, by personal service, or through the provider licensing and reporting
391.15 hub. If mailed, the appeal must be postmarked and sent to the commissioner within ten
391.16 calendar days after the license holder receives notice that the license has been suspended
391.17 or revoked. If a request is made by personal service, it must be received by the commissioner
391.18 within ten calendar days after the license holder received the order. If the order is issued
391.19 through the provider hub, the appeal must be received by the commissioner within ten
391.20 calendar days from the date the commissioner issued the order through the hub. Except as
391.21 provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an
391.22 order suspending or revoking a license, the license holder may continue to operate the
391.23 program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the
391.24 commissioner issues a final order on the suspension or revocation.

391.25 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
391.26 holder of the responsibility for payment of fines and the right to a contested case hearing
391.27 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
391.28 order to pay a fine must be made in writing by certified mail ~~or~~, by personal service, or
391.29 through the provider licensing and reporting hub. If mailed, the appeal must be postmarked
391.30 and sent to the commissioner within ten calendar days after the license holder receives
391.31 notice that the fine has been ordered. If a request is made by personal service, it must be
391.32 received by the commissioner within ten calendar days after the license holder received the
391.33 order. If the order is issued through the provider hub, the appeal must be received by the
391.34 commissioner within ten calendar days from the date the commissioner issued the order
391.35 through the hub.

392.1 (2) The license holder shall pay the fines assessed on or before the payment date specified.
392.2 If the license holder fails to fully comply with the order, the commissioner may issue a
392.3 second fine or suspend the license until the license holder complies. If the license holder
392.4 receives state funds, the state, county, or municipal agencies or departments responsible for
392.5 administering the funds shall withhold payments and recover any payments made while the
392.6 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
392.7 until the commissioner issues a final order.

392.8 (3) A license holder shall promptly notify the commissioner of human services, in writing,
392.9 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
392.10 commissioner determines that a violation has not been corrected as indicated by the order
392.11 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
392.12 the license holder by certified mail ~~or~~, by personal service, or through the provider licensing
392.13 and reporting hub that a second fine has been assessed. The license holder may appeal the
392.14 second fine as provided under this subdivision.

392.15 (4) Fines shall be assessed as follows:

392.16 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
392.17 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
392.18 for which the license holder is determined responsible for the maltreatment under section
392.19 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

392.20 (ii) if the commissioner determines that a determination of maltreatment for which the
392.21 license holder is responsible is the result of maltreatment that meets the definition of serious
392.22 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
392.23 \$5,000;

392.24 (iii) for a program that operates out of the license holder's home and a program licensed
392.25 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
392.26 holder shall not exceed \$1,000 for each determination of maltreatment;

392.27 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
392.28 governing matters of health, safety, or supervision, including but not limited to the provision
392.29 of adequate staff-to-child or adult ratios, and failure to comply with background study
392.30 requirements under chapter 245C; and

392.31 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
392.32 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

393.1 For purposes of this section, "occurrence" means each violation identified in the
393.2 commissioner's fine order. Fines assessed against a license holder that holds a license to
393.3 provide home and community-based services, as identified in section 245D.03, subdivision
393.4 1, and a community residential setting or day services facility license under chapter 245D
393.5 where the services are provided, may be assessed against both licenses for the same
393.6 occurrence, but the combined amount of the fines shall not exceed the amount specified in
393.7 this clause for that occurrence.

393.8 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
393.9 selling, or otherwise transferring the licensed program to a third party. In such an event, the
393.10 license holder will be personally liable for payment. In the case of a corporation, each
393.11 controlling individual is personally and jointly liable for payment.

393.12 (d) Except for background study violations involving the failure to comply with an order
393.13 to immediately remove an individual or an order to provide continuous, direct supervision,
393.14 the commissioner shall not issue a fine under paragraph (c) relating to a background study
393.15 violation to a license holder who self-corrects a background study violation before the
393.16 commissioner discovers the violation. A license holder who has previously exercised the
393.17 provisions of this paragraph to avoid a fine for a background study violation may not avoid
393.18 a fine for a subsequent background study violation unless at least 365 days have passed
393.19 since the license holder self-corrected the earlier background study violation.

393.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

393.21 Sec. 17. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision
393.22 to read:

393.23 **Subd. 12. License holder qualifications for child foster care.** (a) Child foster care
393.24 license holders must maintain the ability to care for a foster child and ensure a safe home
393.25 environment for children placed in their care. License holders must immediately notify the
393.26 licensing agency of:

393.27 (1) any changes to the license holder or household member's physical or behavioral
393.28 health that may affect the license holder's ability to care for a foster child or pose a risk to
393.29 a foster child's health; or

393.30 (2) changes related to the care of a child or vulnerable adult for whom the license holder
393.31 is a parent or legally responsible, including living out of the home for treatment for physical
393.32 or behavioral health, modified parenting time arrangements, legal custody, or placement in
393.33 foster care.

394.1 (b) The licensing agency may request a license holder or household member to undergo
 394.2 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
 394.3 license holder's ability to provide a safe environment for a foster child. Prior to assigning
 394.4 a specialist to evaluate, the licensing agency must tell the license holder or household
 394.5 member why the licensing agency has requested a specialist evaluation and request a release
 394.6 of information from the license holder or household member.

394.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

394.8 Sec. 18. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

394.9 Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs
 394.10 serving 14 or fewer children that are conducted at a location other than the license holder's
 394.11 own residence shall be licensed under this section and the rules governing family child care
 394.12 or group family child care if:

394.13 ~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child
 394.14 care program is conducted in a dwelling that is located on a residential lot;

394.15 ~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider
 394.16 of care, and the purpose for the child care program is to provide child care services to
 394.17 children of the license holder's employees;

394.18 ~~(c)~~ (3) the license holder is a church or religious organization;

394.19 ~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes
 394.20 of this subdivision, a community collaborative child care provider is a provider participating
 394.21 in a cooperative agreement with a community action agency as defined in section 256E.31;

394.22 ~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling
 394.23 located on a residential lot and the license holder maintains two or more contracts with
 394.24 community employers or other community organizations to provide child care services.
 394.25 The county licensing agency may grant a capacity variance to a license holder licensed
 394.26 under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than
 394.27 five children during transition periods related to the work schedules of parents, if the license
 394.28 holder meets the following requirements:

394.29 ~~(1)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative
 394.30 total of four hours per day;

394.31 ~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

395.1 ~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required
 395.2 in the rules governing family child care each year;

395.3 ~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part
 395.4 9502.0425;

395.5 ~~(5)~~ (v) the program is in compliance with local zoning regulations;

395.6 ~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

395.7 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
 395.8 no more than five children 2-1/2 years of age or less, the applicable fire code is educational
 395.9 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
 395.10 2020, Section 202; or

395.11 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
 395.12 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota
 395.13 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
 395.14 of age or younger are cared for are located on a level of exit discharge and each of these
 395.15 child care rooms has an exit door directly to the exterior, then the applicable fire code is
 395.16 Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020,
 395.17 Section 202; and

395.18 ~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square
 395.19 footage determinations shall be printed on the license; or

395.20 ~~(8)~~ (6) the license holder is the primary provider of care and has located the licensed
 395.21 child care program in a commercial space, if the license holder meets the following
 395.22 requirements:

395.23 ~~(1)~~ (i) the program is in compliance with local zoning regulations;

395.24 ~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

395.25 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but
 395.26 no more than five children 2-1/2 years of age or less, the applicable fire code is educational
 395.27 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~
 395.28 2020, Section 202; or

395.29 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the
 395.30 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota
 395.31 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years
 395.32 of age or younger are cared for are located on a level of exit discharge and each of these

396.1 child care rooms has an exit door directly to the exterior, then the applicable fire code is
 396.2 Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

396.3 ~~(3)~~ (iii) any age and capacity limitations required by the fire code inspection and square
 396.4 footage determinations are printed on the license; and

396.5 ~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner
 396.6 which contains the statement "This special family child care provider is not licensed as a
 396.7 child care center."

396.8 ~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner
 396.9 may issue up to four licenses to an organization licensed under paragraph ~~(b)~~, ~~(e)~~, ~~or (e)~~ (a),
 396.10 clause (2), (3), or (5). Each license must have its own primary provider of care as required
 396.11 under paragraph ~~(i)~~ (d). Each license must operate as a distinct and separate program in
 396.12 compliance with all applicable laws and regulations.

396.13 ~~(h)~~ (c) For licenses issued under paragraph ~~(b)~~, ~~(e)~~, ~~(d)~~, ~~(e)~~, ~~or (f)~~ (a), clause (2), (3),
 396.14 (4), (5), or (6), the commissioner may approve up to four licenses at the same location or
 396.15 under one contiguous roof if each license holder is able to demonstrate compliance with all
 396.16 applicable rules and laws. Each licensed program must operate as a distinct program and
 396.17 within the capacity, age, and ratio distributions of each license.

396.18 ~~(i)~~ (d) For a license issued under paragraph ~~(b)~~, ~~(e)~~, ~~or (e)~~ (a), clause (2), (3), or (5), the
 396.19 license holder must designate a person to be the primary provider of care at the licensed
 396.20 location on a form and in a manner prescribed by the commissioner. The license holder
 396.21 shall notify the commissioner in writing before there is a change of the person designated
 396.22 to be the primary provider of care. The primary provider of care:

396.23 (1) must be the person who will be the provider of care at the program and present during
 396.24 the hours of operation;

396.25 (2) must operate the program in compliance with applicable laws and regulations under
 396.26 chapter 245A and Minnesota Rules, chapter 9502;

396.27 (3) is considered a child care background study subject as defined in section 245C.02,
 396.28 subdivision 6a, and must comply with background study requirements in chapter 245C;

396.29 (4) must complete the training that is required of license holders in section 245A.50;
 396.30 and

396.31 (5) is authorized to communicate with the county licensing agency and the department
 396.32 on matters related to licensing.

397.1 ~~(j)~~ (e) For any license issued under this subdivision, the license holder must ensure that
397.2 any other caregiver, substitute, or helper who assists in the care of children meets the training
397.3 requirements in section 245A.50 and background study requirements under chapter 245C.

397.4 Sec. 19. Minnesota Statutes 2022, section 245A.1435, is amended to read:

397.5 **245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH**
397.6 **IN LICENSED PROGRAMS.**

397.7 (a) When a license holder is placing an infant to sleep, the license holder must place the
397.8 infant on the infant's back, unless the license holder has documentation from the infant's
397.9 physician, advanced practice registered nurse, or physician assistant directing an alternative
397.10 sleeping position for the infant. The physician, advanced practice registered nurse, or
397.11 physician assistant directive must be on a form ~~approved~~ developed by the commissioner
397.12 and must remain on file at the licensed location. An infant who independently rolls onto its
397.13 stomach after being placed to sleep on its back may be allowed to remain sleeping on its
397.14 stomach if the infant is at least six months of age or the license holder has a signed statement
397.15 from the parent indicating that the infant regularly rolls over at home.

397.16 (b) The license holder must place the infant in a crib directly on a firm mattress with a
397.17 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and
397.18 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
397.19 the sheet with reasonable effort. The license holder must not place anything in the crib with
397.20 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
397.21 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
397.22 this section apply to license holders serving infants younger than one year of age. Licensed
397.23 child care providers must meet the crib requirements under section 245A.146. A correction
397.24 order shall not be issued under this paragraph unless there is evidence that a violation
397.25 occurred when an infant was present in the license holder's care.

397.26 (c) If an infant falls asleep before being placed in a crib, the license holder must move
397.27 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
397.28 holder until the infant is placed in a crib. When an infant falls asleep while being held, the
397.29 license holder must consider the supervision needs of other children in care when determining
397.30 how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant
397.31 must not be in a position where the airway may be blocked or with anything covering the
397.32 infant's face.

397.33 (d) When a license holder places an infant under one year of age down to sleep, the
397.34 infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

398.1 (e) A license holder may place an infant under one year of age down to sleep wearing
398.2 a helmet if the license holder has signed documentation by a physician, advanced practice
398.3 registered nurse, physician assistant, licensed occupational therapist, or licensed physical
398.4 therapist on a form developed by the commissioner.

398.5 ~~(d)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended
398.6 for an infant of any age and is prohibited for any infant who has begun to roll over
398.7 independently. However, with the written consent of a parent or guardian according to this
398.8 paragraph, a license holder may place the infant who has not yet begun to roll over on its
398.9 own down to sleep in a one-piece sleeper equipped with an attached system that fastens
398.10 securely only across the upper torso, with no constriction of the hips or legs, to create a
398.11 swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms,
398.12 fastens securely only across the infant's upper torso, and does not constrict the infant's hips
398.13 or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets
398.14 the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to
398.15 breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use
398.16 of swaddling for sleep by a provider licensed under this chapter, the license holder must
398.17 obtain informed written consent for the use of swaddling from the parent or guardian of the
398.18 infant on a form provided developed by the commissioner and prepared in partnership with
398.19 the Minnesota Sudden Infant Death Center.

398.20 (g) A license holder may request a variance to this section to permit the use of a
398.21 cradleboard when requested by a parent or guardian for a cultural accommodation. A variance
398.22 for the use of a cradleboard may be issued only by the commissioner. The variance request
398.23 must be submitted on a form developed by the commissioner in partnership with Tribal
398.24 welfare agencies and the Department of Health.

398.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

398.26 Sec. 20. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

398.27 **Subd. 3. License holder documentation of cribs.** (a) Annually, from the date printed
398.28 on the license, all license holders shall check all their cribs' brand names and model numbers
398.29 against the United States Consumer Product Safety Commission website listing of unsafe
398.30 cribs.

398.31 (b) The license holder shall maintain written documentation to be reviewed on site for
398.32 each crib showing that the review required in paragraph (a) has been completed, and which
398.33 of the following conditions applies:

399.1 (1) the crib was not identified as unsafe on the United States Consumer Product Safety
399.2 Commission website;

399.3 (2) the crib was identified as unsafe on the United States Consumer Product Safety
399.4 Commission website, but the license holder has taken the action directed by the United
399.5 States Consumer Product Safety Commission to make the crib safe; or

399.6 (3) the crib was identified as unsafe on the United States Consumer Product Safety
399.7 Commission website, and the license holder has removed the crib so that it is no longer
399.8 used by or accessible to children in care.

399.9 (c) Documentation of the review completed under this subdivision shall be maintained
399.10 by the license holder on site and made available to parents or guardians of children in care
399.11 and the commissioner.

399.12 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that
399.13 complies with this section may use a mesh-sided or fabric-sided play yard, pack and play,
399.14 or playpen or crib that has not been identified as unsafe on the United States Consumer
399.15 Product Safety Commission website for the care or sleeping of infants.

399.16 (e) On at least a monthly basis, the family child care license holder shall perform safety
399.17 inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
399.18 by or that is accessible to any child in care, and must document the following:

399.19 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
399.20 crib;

399.21 (2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

399.22 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

399.23 (4) no tears or holes to top rail of crib;

399.24 (5) the mattress floor board is not soft and does not exceed one inch thick;

399.25 (6) the mattress floor board has no rips or tears in covering;

399.26 (7) the mattress floor board in use is ~~a water-proof~~ an original mattress or replacement
399.27 mattress provided by the manufacturer of the crib;

399.28 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

399.29 (9) there are no knobs or wing nuts on outside crib legs;

399.30 (10) there are no missing, loose, or exposed staples; and

400.1 (11) the latches on top and side rails used to collapse crib are secure, they lock properly,
400.2 and are not loose.

400.3 (f) If a cradleboard is used in a licensed setting, the license holder must check the
400.4 cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
400.5 are no loose or protruding parts. The license holder shall maintain written documentation
400.6 of this review.

400.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

400.8 Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

400.9 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
400.10 agencies that have been designated or licensed by the commissioner to perform licensing
400.11 functions and activities under section 245A.04 ~~and background studies for family child care~~
400.12 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue
400.13 correction orders, to issue variances, and recommend a conditional license under section
400.14 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
400.15 245A.07, shall comply with rules and directives of the commissioner governing those
400.16 functions and with this section. The following variances are excluded from the delegation
400.17 of variance authority and may be issued only by the commissioner:

400.18 (1) dual licensure of family child care and child foster care, dual licensure of child and
400.19 adult foster care, and adult foster care and family child care;

400.20 (2) adult foster care maximum capacity;

400.21 (3) adult foster care minimum age requirement;

400.22 (4) child foster care maximum age requirement;

400.23 (5) variances regarding disqualified individuals ~~except that, before the implementation~~
400.24 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~
400.25 ~~disqualified individuals when the county is responsible for conducting a consolidated~~
400.26 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~
400.27 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~
400.28 ~~recurring maltreatment;~~

400.29 (6) the required presence of a caregiver in the adult foster care residence during normal
400.30 sleeping hours;

400.31 (7) variances to requirements relating to chemical use problems of a license holder or a
400.32 household member of a license holder; ~~and~~

401.1 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
 401.2 a variance under this clause, the license holder must provide notice of the variance to all
 401.3 parents and guardians of the children in care; and

401.4 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural
 401.5 accommodation.

401.6 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
 401.7 not grant a license holder a variance to exceed the maximum allowable family child care
 401.8 license capacity of 14 children.

401.9 (b) A county agency that has been designated by the commissioner to issue family child
 401.10 care variances must:

401.11 (1) publish the county agency's policies and criteria for issuing variances on the county's
 401.12 public website and update the policies as necessary; and

401.13 (2) annually distribute the county agency's policies and criteria for issuing variances to
 401.14 all family child care license holders in the county.

401.15 ~~(e) Before the implementation of NETStudy 2.0, county agencies must report information~~
 401.16 ~~about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision~~
 401.17 ~~2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the~~
 401.18 ~~commissioner at least monthly in a format prescribed by the commissioner.~~

401.19 ~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency
 401.20 to conduct one unannounced licensing review at least annually.

401.21 ~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing
 401.22 reviews every two years after a licensee has had at least one annual review.

401.23 ~~(f)~~ (e) A license issued under this section may be issued for up to two years.

401.24 ~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

401.25 (1) the role of counties in quality assurance;

401.26 (2) the duties of county licensing staff; and

401.27 (3) the possible use of joint powers agreements, according to section 471.59, with counties
 401.28 through which some licensing duties under chapter 245D may be delegated by the
 401.29 commissioner to the counties.

401.30 Any consideration related to this paragraph must meet all of the requirements of the corrective
 401.31 action plan ordered by the federal Centers for Medicare and Medicaid Services.

402.1 ~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
402.2 successor provisions; and section 245D.061 or successor provisions, for family child foster
402.3 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
402.4 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
402.5 private agencies.

402.6 ~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the
402.7 commissioner, the following information for a licensed family child care program:

402.8 (1) the results of each licensing review completed, including the date of the review, and
402.9 any licensing correction order issued;

402.10 (2) any death, serious injury, or determination of substantiated maltreatment; and

402.11 (3) any fires that require the service of a fire department within 48 hours of the fire. The
402.12 information under this clause must also be reported to the state fire marshal within two
402.13 business days of receiving notice from a licensed family child care provider.

402.14 **EFFECTIVE DATE.** Paragraph (a), clause (9), is effective January 1, 2024, and all
402.15 other changes are effective the day following final enactment.

402.16 Sec. 22. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

402.17 Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license,
402.18 deny a license under section 245A.05, or revoke a license under section 245A.07 for
402.19 nondisqualifying background study information received under section 245C.05, subdivision
402.20 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private
402.21 agency that has been designated or licensed by the commissioner must review the following
402.22 for the license holder, the applicant, and an individual living in the household where the
402.23 licensed services are provided or who is otherwise subject to a background study:

402.24 (1) the type of offenses;

402.25 (2) the number of offenses;

402.26 (3) the nature of the offenses;

402.27 (4) the age of the individual at the time of the offenses;

402.28 (5) the length of time that has elapsed since the last offense;

402.29 (6) the relationship of the offenses and the capacity to care for a child;

402.30 (7) evidence of rehabilitation;

403.1 (8) information or knowledge from community members regarding the individual's
403.2 capacity to provide foster care;

403.3 (9) any available information regarding child maltreatment reports or child in need of
403.4 protection or services petitions, or related cases, in which the individual has been involved
403.5 or implicated, and documentation that the individual has remedied issues or conditions
403.6 identified in child protection or court records that are relevant to safely caring for a child;

403.7 (10) a statement from the study subject;

403.8 (11) a statement from the license holder; and

403.9 (12) other aggravating and mitigating factors.

403.10 (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
403.11 to the following:

403.12 (1) maintaining a safe and stable residence;

403.13 (2) continuous, regular, or stable employment;

403.14 (3) successful participation in an education or job training program;

403.15 (4) positive involvement with the community or extended family;

403.16 (5) compliance with the terms and conditions of probation or parole following the
403.17 individual's most recent conviction;

403.18 (6) if the individual has had a substance use disorder, successful completion of a substance
403.19 use disorder assessment, substance use disorder treatment, and recommended continuing
403.20 care, if applicable, demonstrated abstinence from controlled substances, as defined in section
403.21 152.01, subdivision 4, or the establishment of a sober network;

403.22 (7) if the individual has had a mental illness or documented mental health issues,
403.23 demonstrated completion of a mental health evaluation, participation in therapy or other
403.24 recommended mental health treatment, or appropriate medication management, if applicable;

403.25 (8) if the individual's offense or conduct involved domestic violence, demonstrated
403.26 completion of a domestic violence or anger management program, and the absence of any
403.27 orders for protection or harassment restraining orders against the individual since the previous
403.28 offense or conduct;

403.29 (9) written letters of support from individuals of good repute, including but not limited
403.30 to employers, members of the clergy, probation or parole officers, volunteer supervisors,
403.31 or social services workers;

404.1 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
404.2 changes; and

404.3 (11) absence of convictions or arrests since the previous offense or conduct, including
404.4 any convictions that were expunged or pardoned.

404.5 (c) An applicant for a family foster setting license must sign all releases of information
404.6 requested by the county or private licensing agency.

404.7 (d) When licensing a relative for a family foster setting, the commissioner shall also
404.8 consider the importance of maintaining the child's relationship with relatives as an additional
404.9 significant factor in determining whether an application will be denied.

404.10 (e) When recommending that the commissioner deny or revoke a license, the county or
404.11 private licensing agency must send a summary of the review completed according to
404.12 paragraph (a), on a form developed by the commissioner, to the commissioner and include
404.13 any recommendation for licensing action.

404.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

404.15 Sec. 23. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
404.16 to read:

404.17 **Subd. 10. Licensing and reporting hub.** Upon implementation of the provider licensing
404.18 and reporting hub, county staff who perform licensing functions must use the hub in the
404.19 manner prescribed by the commissioner.

404.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

404.21 Sec. 24. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
404.22 to read:

404.23 **Subd. 11. Electronic checklist use by family child care licensors.** County staff who
404.24 perform family child care licensing functions must use the commissioner's electronic licensing
404.25 checklist in the manner prescribed by the commissioner.

404.26 Sec. 25. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

404.27 **Subd. 2. Child passenger restraint systems; training requirement.** (a) Programs
404.28 licensed by the Department of Human Services under this chapter and Minnesota Rules,
404.29 chapter 2960, that serve a child or children under eight years of age must document training
404.30 that fulfills the requirements in this subdivision.

405.1 (b) Before a license holder, staff person, or caregiver transports a child or children under
405.2 age eight in a motor vehicle, the person transporting the child must satisfactorily complete
405.3 training on the proper use and installation of child restraint systems in motor vehicles.
405.4 Training completed under this section may be used to meet initial or ongoing training under
405.5 Minnesota Rules, part 2960.3070, subparts 1 and 2.

405.6 (c) Training required under this section must be completed at orientation or initial training
405.7 and repeated at least once every five years. At a minimum, the training must address the
405.8 proper use of child restraint systems based on the child's size, weight, and age, and the
405.9 proper installation of a car seat or booster seat in the motor vehicle used by the license
405.10 holder to transport the child or children.

405.11 (d) Training under paragraph (c) must be provided by individuals who are certified and
405.12 approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department
405.13 of Public Safety. License holders may obtain a list of certified and approved trainers through
405.14 the Department of Public Safety website or by contacting the agency.

405.15 (e) Notwithstanding paragraph (a), for an emergency relative placement under section
405.16 245A.035, the commissioner may grant a variance to the training required by this subdivision
405.17 for a relative who completes a child seat safety check up. The child seat safety check up
405.18 trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and
405.19 must provide one-on-one instruction on placing a child of a specific age in the exact child
405.20 passenger restraint in the motor vehicle in which the child will be transported. Once granted
405.21 a variance, and if all other licensing requirements are met, the relative applicant may receive
405.22 a license and may transport a relative foster child younger than eight years of age. A child
405.23 seat safety check up must be completed each time a child requires a different size car seat
405.24 according to car seat and vehicle manufacturer guidelines. A relative license holder must
405.25 complete training that meets the other requirements of this subdivision prior to placement
405.26 of another foster child younger than eight years of age in the home or prior to the renewal
405.27 of the child foster care license.

405.28 Sec. 26. **[245A.42] CHILD CARE CENTER HIRING PRACTICES.**

405.29 As part of the employment assessment process, a child care center license holder or staff
405.30 person may observe how a prospective employee interacts with children in the licensed
405.31 facility. The prospective employee is not considered a child care background study subject
405.32 under section 245C.02, subdivision 6a, provided the prospective employee is under
405.33 continuous direct supervision by a staff person when the prospective employee has physical

406.1 access to a child served by the center. The observation period shall not be longer than two
406.2 hours, and a prospective employee must not be counted in staff-to-child ratios.

406.3 **EFFECTIVE DATE.** This section is effective October 1, 2023.

406.4 Sec. 27. Minnesota Statutes 2022, section 245A.50, subdivision 3, is amended to read:

406.5 Subd. 3. **First aid.** (a) Before initial licensure and before caring for a child, license
406.6 holders, second adult caregivers, and substitutes must be trained in pediatric first aid. The
406.7 first aid training must have been provided by an individual approved to provide first aid
406.8 instruction. First aid training may be less than eight hours and persons qualified to provide
406.9 first aid training include individuals approved as first aid instructors. License holders, second
406.10 adult caregivers, and substitutes must repeat pediatric first aid training every two years.
406.11 ~~When the training expires, it must be retaken no later than the day before the anniversary~~
406.12 ~~of the license holder's license effective date.~~ License holders, second adult caregivers, and
406.13 substitutes must not let the training expire.

406.14 (b) Video training reviewed and approved by the county licensing agency satisfies the
406.15 training requirement of this subdivision.

406.16 **EFFECTIVE DATE.** This section is effective January 1, 2025.

406.17 Sec. 28. Minnesota Statutes 2022, section 245A.50, subdivision 4, is amended to read:

406.18 Subd. 4. **Cardiopulmonary resuscitation.** (a) Before initial licensure and before caring
406.19 for a child, license holders, second adult caregivers, and substitutes must be trained in
406.20 pediatric cardiopulmonary resuscitation (CPR), including CPR techniques for infants and
406.21 children, and in the treatment of obstructed airways. The CPR training must have been
406.22 provided by an individual approved to provide CPR instruction. License holders, second
406.23 adult caregivers, and substitutes must repeat pediatric CPR training at least once every two
406.24 years and must document the training in the license holder's records. ~~When the training~~
406.25 ~~expires, it must be retaken no later than the day before the anniversary of the license holder's~~
406.26 ~~license effective date.~~ License holders, second adult caregivers, and substitutes must not let
406.27 the training expire.

406.28 (b) Persons providing CPR training must use CPR training that has been developed:

406.29 (1) by the American Heart Association or the American Red Cross and incorporates
406.30 psychomotor skills to support the instruction; or

406.31 (2) using nationally recognized, evidence-based guidelines for CPR training and
406.32 incorporates psychomotor skills to support the instruction.

407.1 **EFFECTIVE DATE.** This section is effective January 1, 2025.

407.2 Sec. 29. Minnesota Statutes 2022, section 245A.50, subdivision 5, is amended to read:

407.3 Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a)

407.4 License holders must ensure and document that before the license holder, second adult
407.5 caregivers, substitutes, and helpers assist in the care of infants, they are instructed on the
407.6 standards in section 245A.1435 and receive training on reducing the risk of sudden
407.7 unexpected infant death. In addition, license holders must ensure and document that before
407.8 the license holder, second adult caregivers, substitutes, and helpers assist in the care of
407.9 infants and children under school age, they receive training on reducing the risk of abusive
407.10 head trauma from shaking infants and young children. The training in this subdivision may
407.11 be provided as initial training under subdivision 1 or ongoing annual training under
407.12 subdivision 7.

407.13 (b) Sudden unexpected infant death reduction training required under this subdivision
407.14 must, at a minimum, address the risk factors related to sudden unexpected infant death,
407.15 means of reducing the risk of sudden unexpected infant death in child care, and license
407.16 holder communication with parents regarding reducing the risk of sudden unexpected infant
407.17 death.

407.18 (c) Abusive head trauma training required under this subdivision must, at a minimum,
407.19 address the risk factors related to shaking infants and young children, means of reducing
407.20 the risk of abusive head trauma in child care, and license holder communication with parents
407.21 regarding reducing the risk of abusive head trauma.

407.22 (d) Training for family and group family child care providers must be developed by the
407.23 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
407.24 by the Minnesota Center for Professional Development. Sudden unexpected infant death
407.25 reduction training and abusive head trauma training may be provided in a single course of
407.26 no more than two hours in length.

407.27 (e) Sudden unexpected infant death reduction training and abusive head trauma training
407.28 required under this subdivision must be completed in person or as allowed under subdivision
407.29 10, clause (1) or (2), at least once every two years. ~~When the training expires, it must be~~
407.30 ~~retaken no later than the day before the anniversary of the license holder's license effective~~
407.31 ~~date.~~ On the years when the individual receiving training is not receiving training in person
407.32 or as allowed under subdivision 10, clause (1) or (2), the individual receiving training in
407.33 accordance with this subdivision must receive sudden unexpected infant death reduction

408.1 training and abusive head trauma training through a video of no more than one hour in
408.2 length. The video must be developed or approved by the commissioner.

408.3 (f) An individual who is related to the license holder as defined in section 245A.02,
408.4 subdivision 13, and who is involved only in the care of the license holder's own infant or
408.5 child under school age and who is not designated to be a second adult caregiver, helper, or
408.6 substitute for the licensed program, is exempt from the sudden unexpected infant death and
408.7 abusive head trauma training.

408.8 **EFFECTIVE DATE.** This section is effective January 1, 2025.

408.9 Sec. 30. Minnesota Statutes 2022, section 245A.50, subdivision 6, is amended to read:

408.10 Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license
408.11 holder must comply with all seat belt and child passenger restraint system requirements
408.12 under section 169.685.

408.13 (b) Family and group family child care programs licensed by the Department of Human
408.14 Services that serve a child or children under eight years of age must document training that
408.15 fulfills the requirements in this subdivision.

408.16 (1) Before a license holder, second adult caregiver, substitute, or helper transports a
408.17 child or children under age eight in a motor vehicle, the person placing the child or children
408.18 in a passenger restraint must satisfactorily complete training on the proper use and installation
408.19 of child restraint systems in motor vehicles. Training completed under this subdivision may
408.20 be used to meet initial training under subdivision 1 or ongoing training under subdivision
408.21 7.

408.22 (2) Training required under this subdivision must be at least one hour in length, completed
408.23 at initial training, and repeated at least once every five years. ~~When the training expires, it~~
408.24 ~~must be retaken no later than the day before the anniversary of the license holder's license~~
408.25 ~~effective date.~~ At a minimum, the training must address the proper use of child restraint
408.26 systems based on the child's size, weight, and age, and the proper installation of a car seat
408.27 or booster seat in the motor vehicle used by the license holder to transport the child or
408.28 children.

408.29 (3) Training under this subdivision must be provided by individuals who are certified
408.30 and approved by the Department of Public Safety, Office of Traffic Safety. License holders
408.31 may obtain a list of certified and approved trainers through the Department of Public Safety
408.32 website or by contacting the agency.

409.1 (c) Child care providers that only transport school-age children as defined in section
409.2 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448,
409.3 subdivision 1, paragraph (e), are exempt from this subdivision.

409.4 **EFFECTIVE DATE.** This section is effective January 1, 2025.

409.5 Sec. 31. Minnesota Statutes 2022, section 245A.50, subdivision 9, is amended to read:

409.6 **Subd. 9. Supervising for safety; training requirement.** (a) Courses required by this
409.7 subdivision must include the following health and safety topics:

409.8 (1) preventing and controlling infectious diseases;

409.9 (2) administering medication;

409.10 (3) preventing and responding to allergies;

409.11 (4) ensuring building and physical premises safety;

409.12 (5) handling and storing biological contaminants;

409.13 (6) preventing and reporting child abuse and maltreatment; and

409.14 (7) emergency preparedness.

409.15 (b) Before initial licensure and before caring for a child, all family child care license
409.16 holders and each second adult caregiver shall complete and document the completion of
409.17 the six-hour Supervising for Safety for Family Child Care course developed by the
409.18 commissioner.

409.19 (c) The license holder must ensure and document that, before caring for a child, all
409.20 substitutes have completed the four-hour Basics of Licensed Family Child Care for
409.21 Substitutes course developed by the commissioner, which must include health and safety
409.22 topics as well as child development and learning.

409.23 (d) The family child care license holder and each second adult caregiver shall complete
409.24 and document:

409.25 (1) the annual completion of either:

409.26 (i) a two-hour active supervision course developed by the commissioner; or

409.27 (ii) any courses in the ensuring safety competency area under the health, safety, and
409.28 nutrition standard of the Knowledge and Competency Framework that the commissioner
409.29 has identified as an active supervision training course; and

410.1 (2) the completion at least once every five years of the two-hour courses Health and
 410.2 Safety I and Health and Safety II. ~~When the training is due for the first time or expires, it~~
 410.3 ~~must be taken no later than the day before the anniversary of the license holder's license~~
 410.4 ~~effective date.~~ A license holder's or second adult caregiver's completion of either training
 410.5 in a given year meets the annual active supervision training requirement in clause (1).

410.6 (e) At least once every three years, license holders must ensure and document that
 410.7 substitutes have completed the four-hour Basics of Licensed Family Child Care for
 410.8 Substitutes course. ~~When the training expires, it must be retaken no later than the day before~~
 410.9 ~~the anniversary of the license holder's license effective date.~~

410.10 **EFFECTIVE DATE.** This section is effective January 1, 2025.

410.11 Sec. 32. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

410.12 Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate
 410.13 from the main exit from the space must be available in each room used for sleeping by
 410.14 anyone receiving licensed care, and (2) a basement used for child care. One means of escape
 410.15 must be a stairway or door leading to the floor of exit discharge. The other must be a door
 410.16 or window leading directly outside. A window used as an emergency escape route must be
 410.17 openable without special knowledge.

410.18 (b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the
 410.19 interior of the window leading directly outside must have a net clear opening area of not
 410.20 less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
 410.21 of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result
 410.22 of normal operation of the opening. The opening must be no higher than 48 inches from the
 410.23 floor. The height to the window may be measured from a platform if a platform is located
 410.24 below the window.

410.25 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the
 410.26 interior of the window leading directly outside must have minimum clear opening dimensions
 410.27 of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
 410.28 of normal operation of the opening. The opening must be no higher than 44 inches from the
 410.29 floor.

410.30 ~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground
 410.31 outside the window: (1) windows or other openings with a sill height not more than 44
 410.32 inches above or below the finished ground level adjacent to the opening (grade-floor
 410.33 emergency escape and rescue openings) must have a minimum opening of five square feet;

411.1 and (2) non-grade-floor emergency escape and rescue openings must have a minimum
 411.2 opening of 5.7 square feet.

411.3 Sec. 33. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:

411.4 Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part
 411.5 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including
 411.6 but not limited to plastic, fabric, and wood products must not be located within:

411.7 (1) 18 inches of a gas or fuel-oil heater or furnace; or

411.8 (2) 36 inches of a solid-fuel-burning appliance.

411.9 (b) If a license holder produces manufacturer instructions listing a smaller distance, then
 411.10 the manufacturer instructions control the distance combustible items must be from gas,
 411.11 fuel-oil, or solid-fuel burning heaters or furnaces.

411.12 Sec. 34. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:

411.13 Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved
 411.14 and operational carbon monoxide alarm installed within ten feet of each room used for
 411.15 sleeping children in care.

411.16 (b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly
 411.17 installed and maintained ~~on all levels including basements, but not including crawl spaces~~
 411.18 ~~and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.~~
 411.19 in hallways outside of rooms used for sleeping children and on all levels, including basements
 411.20 but not including crawl spaces and uninhabitable attics.

411.21 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020,
 411.22 smoke alarms must be installed and maintained in each room used for sleeping children in
 411.23 care.

411.24 Sec. 35. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
 411.25 to read:

411.26 Subd. 8. **Fire code variances.** When a variance is requested of the standards contained
 411.27 in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from
 411.28 the state fire marshal of the variance requested and the alternative measures identified to
 411.29 ensure the safety of children in care.

412.1 Sec. 36. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision
412.2 to read:

412.3 Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training
412.4 required by the applicable licensing rules and statutes, children's residential facility and
412.5 private child-placing agency license holders must provide a training annually on the
412.6 maltreatment of minors reporting requirements and definitions in chapter 260E to each
412.7 mandatory reporter, as described in section 260E.06, subdivision 1.

412.8 (b) In addition to the orientation training required by the applicable licensing rules and
412.9 statutes, all family child foster care license holders and caregivers and foster residence
412.10 setting staff and volunteers that are mandatory reporters as described in section 260E.06,
412.11 subdivision 1, must complete training each year on the maltreatment of minors reporting
412.12 requirements and definitions in chapter 260E.

412.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

412.14 Sec. 37. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

412.15 Subd. 3. **Appeal of department action.** A provider's rights related to the department's
412.16 action taken under this chapter against a provider are established in sections 119B.16 ~~and~~,
412.17 119B.161, 119B.162, and 245.095.

412.18 Sec. 38. Minnesota Statutes 2022, section 245G.03, subdivision 1, is amended to read:

412.19 Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance
412.20 use disorder treatment must comply with the general requirements in section 626.557;
412.21 chapters 245A, 245C, and 260E; and Minnesota Rules, chapter 9544.

412.22 (b) The commissioner may grant variances to the requirements in this chapter that do
412.23 not affect the client's health or safety if the conditions in section 245A.04, subdivision 9,
412.24 are met.

412.25 (c) If a program is licensed according to this chapter and is part of a certified community
412.26 behavioral health clinic under section 245.735, the license holder must comply with the
412.27 requirements in section 245.735, subdivisions 4b to 4e, as part of the licensing requirements
412.28 under this chapter.

412.29 Sec. 39. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

412.30 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member
412.31 has the training described in this subdivision.

413.1 (b) Each staff member must be trained every two years in:

413.2 (1) client confidentiality rules and regulations and client ethical boundaries; and

413.3 (2) emergency procedures and client rights as specified in sections 144.651, 148F.165,
413.4 and 253B.03.

413.5 (c) Annually each staff member with direct contact must be trained on mandatory
413.6 reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E,
413.7 including specific training covering the license holder's policies for obtaining a release of
413.8 client information.

413.9 (d) Upon employment and annually thereafter, each staff member with direct contact
413.10 must receive training on HIV minimum standards according to section 245A.19.

413.11 (e) The license holder must ensure that each mandatory reporter, as described in section
413.12 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements
413.13 and definitions in chapter 260E before the mandatory reporter has direct contact, as defined
413.14 in section 245C.02, subdivision 11, with a person served by the program.

413.15 ~~(e)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12
413.16 hours of training in co-occurring disorders that includes competencies related to philosophy,
413.17 trauma-informed care, screening, assessment, diagnosis and person-centered treatment
413.18 planning, documentation, programming, medication, collaboration, mental health
413.19 consultation, and discharge planning. A new staff member who has not obtained the training
413.20 must complete the training within six months of employment. A staff member may request,
413.21 and the license holder may grant, credit for relevant training obtained before employment,
413.22 which must be documented in the staff member's personnel file.

413.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

413.24 Sec. 40. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision
413.25 to read:

413.26 Subd. 2a. **Authorized agent.** "Authorized agent" means the individual designated by
413.27 the certification holder who is responsible for communicating with the commissioner of
413.28 human services regarding all items pursuant to this chapter.

413.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

414.1 Sec. 41. Minnesota Statutes 2022, section 245H.01, subdivision 3, is amended to read:

414.2 Subd. 3. **Center operator or program operator.** "Center operator" or "program operator"
 414.3 means the person exercising supervision or control over the center's or program's operations,
 414.4 planning, and functioning. ~~There may be more than one designated center operator or~~
 414.5 ~~program operator.~~

414.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

414.7 Sec. 42. Minnesota Statutes 2022, section 245H.01, subdivision 5, is amended to read:

414.8 Subd. 5. **Certified license-exempt child care center.** "Certified license-exempt child
 414.9 care center" means the commissioner's written authorization for a child care center excluded
 414.10 from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13),
 414.11 (15), (18), ~~or (26),~~ or (30), to register to receive child care assistance payments under chapter
 414.12 119B.

414.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

414.14 Sec. 43. Minnesota Statutes 2022, section 245H.02, is amended to read:

414.15 **245H.02 WHO MUST BE CERTIFIED.**

414.16 A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph
 414.17 (a), clause (5), (11) to (13), (15), (18), ~~or (26), and is authorized to receive child care~~
 414.18 ~~assistance payments under chapter 119B~~ or (30), must be a certified license-exempt child
 414.19 care center according to this section to receive child care assistance payments under chapter
 414.20 119B.

414.21 **EFFECTIVE DATE.** This section is effective January 1, 2024.

414.22 Sec. 44. Minnesota Statutes 2022, section 245H.03, subdivision 2, is amended to read:

414.23 Subd. 2. **Application submission.** The commissioner shall provide application
 414.24 instructions and information about the rules and requirements of other state agencies that
 414.25 affect the applicant. The certification application must be submitted in a manner prescribed
 414.26 by the commissioner. Upon implementation of the provider licensing and reporting hub,
 414.27 applicants must use the hub in the manner prescribed by the commissioner. The commissioner
 414.28 shall act on the application within 90 working days of receiving a completed application.

414.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

415.1 Sec. 45. Minnesota Statutes 2022, section 245H.03, subdivision 4, is amended to read:

415.2 Subd. 4. **Reconsideration of certification denial.** (a) The applicant may request
415.3 reconsideration of the denial by notifying the commissioner by certified mail ~~or~~, by personal
415.4 service, or through the provider licensing and reporting hub. The request must be made in
415.5 writing. If sent by certified mail, the request must be postmarked and sent to the
415.6 commissioner within 20 calendar days after the applicant received the order. If a request is
415.7 made by personal service, it must be received by the commissioner within 20 calendar days
415.8 after the applicant received the order. If the order is issued through the provider hub, the
415.9 request must be received by the commissioner within 20 calendar days from the date the
415.10 commissioner issued the order through the hub. The applicant may submit with the request
415.11 for reconsideration a written argument or evidence in support of the request for
415.12 reconsideration.

415.13 (b) The commissioner's disposition of a request for reconsideration is final and not
415.14 subject to appeal under chapter 14.

415.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

415.16 Sec. 46. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision
415.17 to read:

415.18 **Subd. 5. Notification required.** (a) A certification holder must notify the commissioner,
415.19 in a manner prescribed by the commissioner, and obtain the commissioner's approval before
415.20 making any changes:

415.21 (1) to the certification holder as defined in section 245H.01, subdivision 4;

415.22 (2) to the authorized agent as defined in section 245H.01, subdivision 2a;

415.23 (3) to the certification holder information on file with the secretary of state or Department
415.24 of Revenue;

415.25 (4) in the location of the program certified under this chapter;

415.26 (5) to the ages of children served by the program; or

415.27 (6) to the certified center's schedule including its:

415.28 (i) yearly schedule;

415.29 (ii) hours of operation; or

415.30 (iii) days of the week it is open.

416.1 (b) When, for reasons beyond the certification holder's control, a certification holder
416.2 cannot provide the commissioner with prior notice of the changes in paragraph (a), the
416.3 certification holder must notify the commissioner by the tenth business day after the change
416.4 and must provide any additional information requested by the commissioner.

416.5 (c) When a certification holder notifies the commissioner of a change to the certification
416.6 holder information on file with the secretary of state, the certification holder must provide
416.7 documentation of the change.

416.8 (d) Upon implementation of the provider licensing and reporting hub, certification holders
416.9 must enter and update information in the hub in a manner prescribed by the commissioner.

416.10 **EFFECTIVE DATE.** This section is effective August 1, 2023.

416.11 Sec. 47. Minnesota Statutes 2022, section 245H.05, is amended to read:

416.12 **245H.05 MONITORING AND INSPECTIONS.**

416.13 (a) The commissioner must conduct an on-site inspection of a certified license-exempt
416.14 child care center at least ~~annually~~ once each calendar year to determine compliance with
416.15 the health, safety, and fire standards specific to a certified license-exempt child care center.

416.16 (b) No later than November 19, 2017, the commissioner shall make publicly available
416.17 on the department's website the results of inspection reports for all certified centers including
416.18 the number of deaths, serious injuries, and instances of substantiated child maltreatment
416.19 that occurred in certified centers each year.

416.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

416.21 Sec. 48. Minnesota Statutes 2022, section 245H.06, subdivision 1, is amended to read:

416.22 Subdivision 1. **Correction order requirements.** (a) If the applicant or certification
416.23 holder failed to comply with a law or rule, the commissioner may issue a correction order.
416.24 The correction order must state:

416.25 (1) the condition that constitutes a violation of the law or rule;

416.26 (2) the specific law or rule violated; and

416.27 (3) the time allowed to correct each violation.

416.28 (b) The commissioner may issue a correction order to the applicant or certification holder
416.29 through the provider licensing and reporting hub.

416.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

417.1 Sec. 49. Minnesota Statutes 2022, section 245H.06, subdivision 2, is amended to read:

417.2 Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes
417.3 that the commissioner's correction order is erroneous, the applicant or certification holder
417.4 may ask the commissioner to reconsider the part of the correction order that is allegedly
417.5 erroneous. A request for reconsideration must be made in writing, and postmarked, or
417.6 submitted through the provider licensing and reporting hub and sent to the commissioner
417.7 within 20 calendar days after the applicant or certification holder received the correction
417.8 order, and must:

417.9 (1) specify the part of the correction order that is allegedly erroneous;

417.10 (2) explain why the specified part is erroneous; and

417.11 (3) include documentation to support the allegation of error.

417.12 (b) A request for reconsideration does not stay any provision or requirement of the
417.13 correction order. The commissioner's disposition of a request for reconsideration is final
417.14 and not subject to appeal.

417.15 (c) Upon implementation of the provider licensing and reporting hub, the provider must
417.16 use the hub to request reconsideration. If the order is issued through the provider hub, the
417.17 request must be received by the commissioner within 20 calendar days from the date the
417.18 commissioner issued the order through the hub.

417.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

417.20 Sec. 50. Minnesota Statutes 2022, section 245H.07, subdivision 1, is amended to read:

417.21 Subdivision 1. **Generally.** (a) The commissioner may decertify a center if a certification
417.22 holder:

417.23 (1) failed to comply with an applicable law or rule;

417.24 (2) knowingly withheld relevant information from or gave false or misleading information
417.25 to the commissioner in connection with an application for certification, in connection with
417.26 the background study status of an individual, during an investigation, or regarding compliance
417.27 with applicable laws or rules; or

417.28 (3) has authorization to receive child care assistance payments revoked pursuant to
417.29 chapter 119B.

417.30 (b) When considering decertification, the commissioner shall consider the nature,
417.31 chronicity, or severity of the violation of law or rule.

418.1 (c) When a center is decertified, the center is ineligible to receive a child care assistance
418.2 payment under chapter 119B.

418.3 (d) The commissioner may issue a decertification order to a certification holder through
418.4 the provider licensing and reporting hub.

418.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

418.6 Sec. 51. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

418.7 Subd. 2. **Reconsideration of decertification.** (a) The certification holder may request
418.8 reconsideration of the decertification by notifying the commissioner by certified mail ~~or~~₂
418.9 by personal service, or through the provider licensing and reporting hub. The request must
418.10 be made in writing. If sent by certified mail, the request must be postmarked and sent to the
418.11 commissioner within 20 calendar days after the certification holder received the order. If a
418.12 request is made by personal service, it must be received by the commissioner within 20
418.13 calendar days after the certification holder received the order. If the order is issued through
418.14 the provider hub, the request must be received by the commissioner within 20 calendar days
418.15 from the date the commissioner issued the order through the hub. With the request for
418.16 reconsideration, the certification holder may submit a written argument or evidence in
418.17 support of the request for reconsideration.

418.18 (b) The commissioner's disposition of a request for reconsideration is final and not
418.19 subject to appeal under chapter 14.

418.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

418.21 Sec. 52. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

418.22 Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old,
418.23 the maximum group size shall be no more than eight children.

418.24 (b) For a child 16 months old through 33 months old, the maximum group size shall be
418.25 no more than 14 children.

418.26 (c) For a child 33 months old through prekindergarten, a maximum group size shall be
418.27 no more than 20 children.

418.28 (d) For a child in kindergarten through 13 years old, a maximum group size shall be no
418.29 more than 30 children.

418.30 (e) The maximum group size applies at all times except during group activity coordination
418.31 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and

419.1 special activity including a film, guest speaker, indoor large muscle activity, or holiday
419.2 program.

419.3 (f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14
419.4 years of age or older if one of the following conditions is true:

419.5 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
419.6 1, paragraph (e); or

419.7 (2) the certified center serves only school-age children in a setting that has students
419.8 enrolled in no grade higher than 8th grade.

419.9 **EFFECTIVE DATE.** This section is effective August 1, 2023.

419.10 Sec. 53. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

419.11 Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

419.12 six weeks old through 16 months old 1:4

419.13 16 months old through 33 months old 1:7

419.14 33 months old through prekindergarten 1:10

419.15 kindergarten through 13 years old 1:15

419.16 (b) Kindergarten includes a child of sufficient age to have attended the first day of
419.17 kindergarten or who is eligible to enter kindergarten within the next four months.

419.18 (c) For mixed groups, the ratio for the age group of the youngest child applies.

419.19 (d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14
419.20 years of age or older if one of the following conditions is true:

419.21 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
419.22 1, paragraph (e); or

419.23 (2) the certified center serves only school-age children in a setting that has students
419.24 enrolled in no grade higher than 8th grade.

419.25 **EFFECTIVE DATE.** This section is effective August 1, 2023.

419.26 Sec. 54. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

419.27 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer
419.28 medicine must meet the requirements in this subdivision.

420.1 (b) The certified center must obtain written permission from the child's parent or legal
420.2 guardian before administering prescription medicine, nonprescription medicine, diapering
420.3 product, sunscreen lotion, and insect repellent.

420.4 (c) The certified center must administer nonprescription medicine, diapering product,
420.5 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless
420.6 provided written instructions by a licensed health professional to use a product differently.

420.7 (d) The certified center must obtain and follow written instructions from the prescribing
420.8 health professional before administering prescription medicine. Medicine with the child's
420.9 first and last name and current prescription information on the label is considered written
420.10 instructions.

420.11 (e) The certified center must ensure all prescription and nonprescription medicine is:

420.12 (1) kept in the medicine's original container with a legible label stating the child's first
420.13 and last name;

420.14 (2) given only to the child whose name is on the label;

420.15 (3) not given after an expiration date on the label; and

420.16 (4) returned to the child's parent or legal guardian or destroyed, if unused.

420.17 (f) The certified center must document in the child's record the administration of
420.18 prescription and nonprescription medication, including the child's first and last name; the
420.19 name of the medication or prescription number; the date, time, and dosage; and the name
420.20 and signature of the person who administered the medicine. This documentation must be
420.21 available to the child's parent or legal guardian.

420.22 (g) The certified center must store prescription and nonprescription medicines, insect
420.23 repellents, and diapering products according to directions on the original container.

420.24 **EFFECTIVE DATE.** This section is effective August 1, 2023.

420.25 Sec. 55. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

420.26 Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction
420.27 plan that identifies risks to children served by the child care center. The assessment of risk
420.28 must include risks presented by (1) the physical plant where the certified services are
420.29 provided, including electrical hazards; and (2) the environment, including the proximity to
420.30 busy roads and bodies of water.

421.1 (b) The certification holder must establish policies and procedures to minimize identified
421.2 risks. After any change to the risk reduction plan, the certification holder must inform staff
421.3 of the change in the risk reduction plan and document that staff were informed of the change.

421.4 (c) If middle-school-age children are enrolled in the center and combined with elementary
421.5 children, the certification holder must establish policies and procedures to ensure adequate
421.6 supervision as defined in subdivision 10 when children are grouped together.

421.7 **EFFECTIVE DATE.** This section is effective August 1, 2023.

421.8 Sec. 56. Minnesota Statutes 2022, section 245I.011, subdivision 3, is amended to read:

421.9 Subd. 3. **Certification required.** (a) An individual, organization, or government entity
421.10 that is exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause
421.11 (19), and chooses to be identified as a certified mental health clinic must:

421.12 (1) be a mental health clinic that is certified under section 245I.20;

421.13 (2) comply with all of the responsibilities assigned to a license holder by this chapter
421.14 except subdivision 1; and

421.15 (3) comply with all of the responsibilities assigned to a certification holder by chapter
421.16 245A.

421.17 (b) An individual, organization, or government entity described by this subdivision must
421.18 obtain a criminal background study for each staff person or volunteer who provides direct
421.19 contact services to clients.

421.20 (c) If a clinic is certified according to this chapter and is part of a certified community
421.21 behavioral health clinic under section 245.735, the license holder must comply with the
421.22 requirements in section 245.735, subdivisions 4b to 4e, as part of the licensing requirements
421.23 under this chapter.

421.24 Sec. 57. Minnesota Statutes 2022, section 245I.20, subdivision 10, is amended to read:

421.25 Subd. 10. **Application procedures.** (a) The applicant for certification must submit any
421.26 documents that the commissioner requires on forms approved by the commissioner. Upon
421.27 implementation of the provider licensing and reporting hub, applicants must use the hub in
421.28 the manner prescribed by the commissioner.

421.29 (b) Upon submitting an application for certification, an applicant must pay the application
421.30 fee required by section 245A.10, subdivision 3.

422.1 (c) The commissioner must act on an application within 90 working days of receiving
422.2 a completed application.

422.3 (d) When the commissioner receives an application for initial certification that is
422.4 incomplete because the applicant failed to submit required documents or is deficient because
422.5 the submitted documents do not meet certification requirements, the commissioner must
422.6 provide the applicant with written notice that the application is incomplete or deficient. In
422.7 the notice, the commissioner must identify the particular documents that are missing or
422.8 deficient and give the applicant 45 days to submit a second application that is complete. An
422.9 applicant's failure to submit a complete application within 45 days after receiving notice
422.10 from the commissioner is a basis for certification denial.

422.11 (e) The commissioner must give notice of a denial to an applicant when the commissioner
422.12 has made the decision to deny the certification application. In the notice of denial, the
422.13 commissioner must state the reasons for the denial in plain language. The commissioner
422.14 must send or deliver the notice of denial to an applicant by certified mail ~~or~~, by personal
422.15 service or through the provider licensing and reporting hub. In the notice of denial, the
422.16 commissioner must state the reasons that the commissioner denied the application and must
422.17 inform the applicant of the applicant's right to request a contested case hearing under chapter
422.18 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial
422.19 by notifying the commissioner in writing by certified mail ~~or~~, by personal service, or through
422.20 the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent
422.21 to the commissioner within 20 calendar days after the applicant received the notice of denial.
422.22 If an applicant delivers an appeal by personal service, the commissioner must receive the
422.23 appeal within 20 calendar days after the applicant received the notice of denial. If the order
422.24 is issued through the provider hub, the request must be received by the commissioner within
422.25 20 calendar days from the date the commissioner issued the order through the hub.

422.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

422.27 Sec. 58. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

422.28 Subd. 13. **Correction orders.** (a) If the applicant or certification holder fails to comply
422.29 with a law or rule, the commissioner may issue a correction order. The correction order
422.30 must state:

422.31 (1) the condition that constitutes a violation of the law or rule;

422.32 (2) the specific law or rule that the applicant or certification holder has violated; and

422.33 (3) the time that the applicant or certification holder is allowed to correct each violation.

423.1 (b) If the applicant or certification holder believes that the commissioner's correction
423.2 order is erroneous, the applicant or certification holder may ask the commissioner to
423.3 reconsider the part of the correction order that is allegedly erroneous. An applicant or
423.4 certification holder must make a request for reconsideration in writing. The request must
423.5 be postmarked and sent to the commissioner or submitted in the provider licensing and
423.6 reporting hub within 20 calendar days after the applicant or certification holder received
423.7 the correction order; and the request must:

423.8 (1) specify the part of the correction order that is allegedly erroneous;

423.9 (2) explain why the specified part is erroneous; and

423.10 (3) include documentation to support the allegation of error.

423.11 (c) A request for reconsideration does not stay any provision or requirement of the
423.12 correction order. The commissioner's disposition of a request for reconsideration is final
423.13 and not subject to appeal.

423.14 (d) If the commissioner finds that the applicant or certification holder failed to correct
423.15 the violation specified in the correction order, the commissioner may decertify the certified
423.16 mental health clinic according to subdivision 14.

423.17 (e) Nothing in this subdivision prohibits the commissioner from decertifying a mental
423.18 health clinic according to subdivision 14.

423.19 (f) The commissioner may issue a correction order to the applicant or certification holder
423.20 through the provider licensing and reporting hub. If the order is issued through the provider
423.21 hub, the request must be received by the commissioner within 20 calendar days from the
423.22 date the commissioner issued the order through the hub.

423.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

423.24 Sec. 59. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

423.25 Subd. 14. **Decertification.** (a) The commissioner may decertify a mental health clinic
423.26 if a certification holder:

423.27 (1) failed to comply with an applicable law or rule; or

423.28 (2) knowingly withheld relevant information from or gave false or misleading information
423.29 to the commissioner in connection with an application for certification, during an
423.30 investigation, or regarding compliance with applicable laws or rules.

424.1 (b) When considering decertification of a mental health clinic, the commissioner must
 424.2 consider the nature, chronicity, or severity of the violation of law or rule and the effect of
 424.3 the violation on the health, safety, or rights of clients.

424.4 (c) If the commissioner decertifies a mental health clinic, the order of decertification
 424.5 must inform the certification holder of the right to have a contested case hearing under
 424.6 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may
 424.7 issue the order through the provider licensing and reporting hub. The certification holder
 424.8 may appeal the decertification. The certification holder must appeal a decertification in
 424.9 writing and send or deliver the appeal to the commissioner by certified mail ~~or~~, by personal
 424.10 service, or through the provider licensing and reporting hub. If the certification holder mails
 424.11 the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar
 424.12 days after the certification holder receives the order of decertification. If the certification
 424.13 holder delivers an appeal by personal service, the commissioner must receive the appeal
 424.14 within ten calendar days after the certification holder received the order. If the order is
 424.15 issued through the provider hub, the request must be received by the commissioner within
 424.16 20 calendar days from the date the commissioner issued the order through the hub. If a
 424.17 certification holder submits a timely appeal of an order of decertification, the certification
 424.18 holder may continue to operate the program until the commissioner issues a final order on
 424.19 the decertification.

424.20 (d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a),
 424.21 clause (1), based on a determination that the mental health clinic was responsible for
 424.22 maltreatment, and if the certification holder appeals the decertification according to paragraph
 424.23 (c), and appeals the maltreatment determination under section 260E.33, the final
 424.24 decertification determination is stayed until the commissioner issues a final decision regarding
 424.25 the maltreatment appeal.

424.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

424.27 Sec. 60. Minnesota Statutes 2022, section 245I.20, subdivision 16, is amended to read:

424.28 Subd. 16. **Notifications required and noncompliance.** (a) A certification holder must
 424.29 notify the commissioner, in a manner prescribed by the commissioner, and obtain the
 424.30 commissioner's approval before making any change to the name of the certification holder
 424.31 or the location of the mental health clinic. Upon implementation of the provider licensing
 424.32 and reporting hub, certification holders must enter and update information in the hub in a
 424.33 manner prescribed by the commissioner.

425.1 (b) Changes in mental health clinic organization, staffing, treatment, or quality assurance
425.2 procedures that affect the ability of the certification holder to comply with the minimum
425.3 standards of this section must be reported in writing by the certification holder to the
425.4 commissioner within 15 days of the occurrence. Review of the change must be conducted
425.5 by the commissioner. A certification holder with changes resulting in noncompliance in
425.6 minimum standards must receive written notice and may have up to 180 days to correct the
425.7 areas of noncompliance before being decertified. Interim procedures to resolve the
425.8 noncompliance on a temporary basis must be developed and submitted in writing to the
425.9 commissioner for approval within 30 days of the commissioner's determination of the
425.10 noncompliance. Not reporting an occurrence of a change that results in noncompliance
425.11 within 15 days, failure to develop an approved interim procedure within 30 days of the
425.12 determination of the noncompliance, or nonresolution of the noncompliance within 180
425.13 days will result in immediate decertification.

425.14 (c) The mental health clinic may be required to submit written information to the
425.15 department to document that the mental health clinic has maintained compliance with this
425.16 section and mental health clinic procedures.

425.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

425.18 Sec. 61. Minnesota Statutes 2022, section 260E.09, is amended to read:

425.19 **260E.09 REPORTING REQUIREMENTS.**

425.20 (a) An oral report shall be made immediately by telephone or otherwise. An oral report
425.21 made by a person required under section 260E.06, subdivision 1, to report shall be followed
425.22 within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate
425.23 police department, the county sheriff, the agency responsible for assessing or investigating
425.24 the report, or the local welfare agency.

425.25 (b) Any report shall be of sufficient content to identify the child, any person believed
425.26 to be responsible for the maltreatment of the child if the person is known, the nature and
425.27 extent of the maltreatment, and the name and address of the reporter. The local welfare
425.28 agency or agency responsible for assessing or investigating the report shall accept a report
425.29 made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's
425.30 name or address as long as the report is otherwise sufficient under this paragraph.

425.31 (c) Notwithstanding paragraph (a), upon implementation of the provider licensing and
425.32 reporting hub, an individual who has an account with the provider licensing and reporting
425.33 hub and is required to report suspected maltreatment at a licensed program under section

426.1 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by
426.2 the commissioner and is not required to make an oral report. A report submitted through
426.3 the provider licensing and reporting hub must be made immediately.

426.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

426.5 Sec. 62. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

426.6 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of
426.7 the commissioner of human services, the commissioner shall disclose return information
426.8 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the
426.9 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

426.10 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,
426.11 employment, income, and property of a person owing or alleged to be owing an obligation
426.12 of child support.

426.13 (c) The commissioner of human services may request data only for the purposes of
426.14 carrying out the child support enforcement program and to assist in the location of parents
426.15 who have, or appear to have, deserted their children. Data received may be used only as set
426.16 forth in section 256.978.

426.17 (d) The commissioner shall provide the records and information necessary to administer
426.18 the supplemental housing allowance to the commissioner of human services.

426.19 (e) At the request of the commissioner of human services, the commissioner of revenue
426.20 shall electronically match the Social Security numbers and names of participants in the
426.21 telephone assistance plan operated under sections 237.69 to 237.71, with those of property
426.22 tax refund filers, and determine whether each participant's household income is within the
426.23 eligibility standards for the telephone assistance plan.

426.24 (f) The commissioner may provide records and information collected under sections
426.25 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
426.26 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
426.27 102-234. Upon the written agreement by the United States Department of Health and Human
426.28 Services to maintain the confidentiality of the data, the commissioner may provide records
426.29 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
426.30 Medicaid Services section of the United States Department of Health and Human Services
426.31 for purposes of meeting federal reporting requirements.

426.32 (g) The commissioner may provide records and information to the commissioner of
426.33 human services as necessary to administer the early refund of refundable tax credits.

427.1 (h) The commissioner may disclose information to the commissioner of human services
427.2 as necessary for income verification for eligibility and premium payment under the
427.3 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
427.4 assistance program under chapter 256B.

427.5 (i) The commissioner may disclose information to the commissioner of human services
427.6 necessary to verify whether applicants or recipients for the Minnesota family investment
427.7 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),
427.8 Minnesota supplemental aid program, and child care assistance have claimed refundable
427.9 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
427.10 amounts of the credits.

427.11 (j) The commissioner may disclose information to the commissioner of human services
427.12 necessary to verify income for purposes of calculating parental contribution amounts under
427.13 section 252.27, subdivision 2a.

427.14 (k) At the request of the commissioner of human services and when authorized in writing
427.15 by the taxpayer, the commissioner of revenue may match the business legal name or
427.16 individual legal name, and the Minnesota tax identification number, federal Employer
427.17 Identification Number, or Social Security number of the applicant under section 245A.04,
427.18 subdivision 1; 245I.20; or 245H.03; or license or certification holder. The commissioner of
427.19 revenue may share the matching with the commissioner of human services. The matching
427.20 may only be used by the commissioner of human services to determine eligibility for provider
427.21 grant programs and to facilitate the regulatory oversight of license and certification holders
427.22 as it relates to ownership and public funds program integrity. This paragraph applies only
427.23 if the commissioner of human services and the commissioner of revenue enter into an
427.24 interagency agreement for the purposes of this paragraph.

427.25 Sec. 63. **DIRECTION TO COMMISSIONER; AMENDING STAFF DISTRIBUTION**
427.26 **RULES FOR CHILD CARE CENTERS.**

427.27 (a) Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, the
427.28 commissioner of human services must allow an aide to substitute for a teacher during
427.29 morning arrival and afternoon departure times in a licensed child care center if the total
427.30 arrival and departure time does not exceed 25 percent of the center's daily hours of operation.
427.31 In order for an aide to be used in this capacity, an aide must:

427.32 (1) be at least 18 years of age;

427.33 (2) have worked in the licensed child care center for a minimum of 30 days; and

428.1 (3) have completed all preservice and first-90-days training required for licensing.

428.2 (b) This section expires July 1, 2025.

428.3

ARTICLE 9

428.4

BEHAVIORAL HEALTH

428.5 Section 1. Minnesota Statutes 2022, section 245.462, subdivision 17, is amended to read:

428.6 Subd. 17. **Mental health practitioner.** ~~(a) "Mental health practitioner" means a staff~~
 428.7 ~~person providing services to adults with mental illness or children with emotional disturbance~~
 428.8 ~~who is qualified in at least one of the ways described in paragraphs (b) to (g). A mental~~
 428.9 ~~health practitioner for a child client must have training working with children. A mental~~
 428.10 ~~health practitioner for an adult client must have training working with adults~~ who is qualified
 428.11 according to section 245I.04, subdivision 4.

428.12 ~~(b) For purposes of this subdivision, a practitioner is qualified through relevant~~
 428.13 ~~coursework if the practitioner completes at least 30 semester hours or 45 quarter hours in~~
 428.14 ~~behavioral sciences or related fields and:~~

428.15 ~~(1) has at least 2,000 hours of supervised experience in the delivery of services to adults~~
 428.16 ~~or children with:~~

428.17 ~~(i) mental illness, substance use disorder, or emotional disturbance; or~~

428.18 ~~(ii) traumatic brain injury or developmental disabilities and completes training on mental~~
 428.19 ~~illness, recovery from mental illness, mental health de-escalation techniques, co-occurring~~
 428.20 ~~mental illness and substance abuse, and psychotropic medications and side effects;~~

428.21 ~~(2) is fluent in the non-English language of the ethnic group to which at least 50 percent~~
 428.22 ~~of the practitioner's clients belong, completes 40 hours of training in the delivery of services~~
 428.23 ~~to adults with mental illness or children with emotional disturbance, and receives clinical~~
 428.24 ~~supervision from a mental health professional at least once a week until the requirement of~~
 428.25 ~~2,000 hours of supervised experience is met;~~

428.26 ~~(3) is working in a day treatment program under section 245.4712, subdivision 2;~~

428.27 ~~(4) has completed a practicum or internship that (i) requires direct interaction with adults~~
 428.28 ~~or children served, and (ii) is focused on behavioral sciences or related fields; or~~

428.29 ~~(5) is in the process of completing a practicum or internship as part of a formal~~
 428.30 ~~undergraduate or graduate training program in social work, psychology, or counseling.~~

429.1 ~~(c) For purposes of this subdivision, a practitioner is qualified through work experience~~
429.2 ~~if the person:~~

429.3 ~~(1) has at least 4,000 hours of supervised experience in the delivery of services to adults~~
429.4 ~~or children with:~~

429.5 ~~(i) mental illness, substance use disorder, or emotional disturbance; or~~

429.6 ~~(ii) traumatic brain injury or developmental disabilities and completes training on mental~~
429.7 ~~illness, recovery from mental illness, mental health de-escalation techniques, co-occurring~~
429.8 ~~mental illness and substance abuse, and psychotropic medications and side effects; or~~

429.9 ~~(2) has at least 2,000 hours of supervised experience in the delivery of services to adults~~
429.10 ~~or children with:~~

429.11 ~~(i) mental illness, emotional disturbance, or substance use disorder, and receives clinical~~
429.12 ~~supervision as required by applicable statutes and rules from a mental health professional~~
429.13 ~~at least once a week until the requirement of 4,000 hours of supervised experience is met;~~
429.14 ~~or~~

429.15 ~~(ii) traumatic brain injury or developmental disabilities; completes training on mental~~
429.16 ~~illness, recovery from mental illness, mental health de-escalation techniques, co-occurring~~
429.17 ~~mental illness and substance abuse, and psychotropic medications and side effects; and~~
429.18 ~~receives clinical supervision as required by applicable statutes and rules at least once a week~~
429.19 ~~from a mental health professional until the requirement of 4,000 hours of supervised~~
429.20 ~~experience is met.~~

429.21 ~~(d) For purposes of this subdivision, a practitioner is qualified through a graduate student~~
429.22 ~~internship if the practitioner is a graduate student in behavioral sciences or related fields~~
429.23 ~~and is formally assigned by an accredited college or university to an agency or facility for~~
429.24 ~~clinical training.~~

429.25 ~~(e) For purposes of this subdivision, a practitioner is qualified by a bachelor's or master's~~
429.26 ~~degree if the practitioner:~~

429.27 ~~(1) holds a master's or other graduate degree in behavioral sciences or related fields; or~~

429.28 ~~(2) holds a bachelor's degree in behavioral sciences or related fields and completes a~~
429.29 ~~practicum or internship that (i) requires direct interaction with adults or children served,~~
429.30 ~~and (ii) is focused on behavioral sciences or related fields.~~

430.1 ~~(f) For purposes of this subdivision, a practitioner is qualified as a vendor of medical~~
 430.2 ~~care if the practitioner meets the definition of vendor of medical care in section 256B.02,~~
 430.3 ~~subdivision 7, paragraphs (b) and (c), and is serving a federally recognized tribe.~~

430.4 ~~(g) For purposes of medical assistance coverage of diagnostic assessments, explanations~~
 430.5 ~~of findings, and psychotherapy under section 256B.0625, subdivision 65, a mental health~~
 430.6 ~~practitioner working as a clinical trainee means that the practitioner's clinical supervision~~
 430.7 ~~experience is helping the practitioner gain knowledge and skills necessary to practice~~
 430.8 ~~effectively and independently. This may include supervision of direct practice, treatment~~
 430.9 ~~team collaboration, continued professional learning, and job management. The practitioner~~
 430.10 ~~must also:~~

430.11 ~~(1) comply with requirements for licensure or board certification as a mental health~~
 430.12 ~~professional, according to the qualifications under Minnesota Rules, part 9505.0371, subpart~~
 430.13 ~~5, item A, including supervised practice in the delivery of mental health services for the~~
 430.14 ~~treatment of mental illness; or~~

430.15 ~~(2) be a student in a bona fide field placement or internship under a program leading to~~
 430.16 ~~completion of the requirements for licensure as a mental health professional according to~~
 430.17 ~~the qualifications under Minnesota Rules, part 9505.0371, subpart 5, item A.~~

430.18 ~~(h) For purposes of this subdivision, "behavioral sciences or related fields" has the~~
 430.19 ~~meaning given in section 256B.0623, subdivision 5, paragraph (d).~~

430.20 ~~(i) Notwithstanding the licensing requirements established by a health-related licensing~~
 430.21 ~~board, as defined in section 214.01, subdivision 2, this subdivision supersedes any other~~
 430.22 ~~statute or rule.~~

430.23 Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 1, is amended to read:

430.24 Subdivision 1. **Grant program established.** The commissioner shall award grants to
 430.25 licensed or certified mental health providers that meet the criteria in subdivision 2 to fund
 430.26 supervision of or preceptorships for students, interns, and clinical trainees who are working
 430.27 toward becoming mental health professionals and; to subsidize the costs of licensing
 430.28 applications and examination fees for clinical trainees; and to fund training for workers to
 430.29 become supervisors. For purposes of this section, an intern may include an individual who
 430.30 is working toward an undergraduate degree in the behavioral sciences or related field at an
 430.31 accredited educational institution.

431.1 Sec. 3. Minnesota Statutes 2022, section 245.4889, subdivision 1, is amended to read:

431.2 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
431.3 make grants from available appropriations to assist:

431.4 (1) counties;

431.5 (2) Indian tribes;

431.6 (3) children's collaboratives under section 124D.23 or 245.493; or

431.7 (4) mental health service providers.

431.8 (b) The following services are eligible for grants under this section:

431.9 (1) services to children with emotional disturbances as defined in section 245.4871,
431.10 subdivision 15, and their families;

431.11 (2) transition services under section 245.4875, subdivision 8, for young adults under
431.12 age 21 and their families;

431.13 (3) respite care services for children with emotional disturbances or severe emotional
431.14 disturbances who are at risk of out-of-home placement or already in out-of-home placement
431.15 in family foster settings as defined in chapter 245A and at risk of change in out-of-home
431.16 placement or placement in a residential facility or other higher level of care. Allowable
431.17 activities and expenses for respite care services are defined under subdivision 4. A child is
431.18 not required to have case management services to receive respite care services;

431.19 (4) children's mental health crisis services;

431.20 (5) child-, youth-, and family-specific mobile response and stabilization services models;

431.21 ~~(5)~~ (6) mental health services for people from cultural and ethnic minorities, including
431.22 supervision of clinical trainees who are Black, indigenous, or people of color;

431.23 ~~(6)~~ (7) children's mental health screening and follow-up diagnostic assessment and
431.24 treatment;

431.25 ~~(7)~~ (8) services to promote and develop the capacity of providers to use evidence-based
431.26 practices in providing children's mental health services;

431.27 ~~(8)~~ (9) school-linked mental health services under section 245.4901;

431.28 ~~(9)~~ (10) building evidence-based mental health intervention capacity for children birth
431.29 to age five;

431.30 ~~(10)~~ (11) suicide prevention and counseling services that use text messaging statewide;

- 432.1 ~~(11)~~ (12) mental health first aid training;
- 432.2 ~~(12)~~ (13) training for parents, collaborative partners, and mental health providers on the
- 432.3 impact of adverse childhood experiences and trauma and development of an interactive
- 432.4 website to share information and strategies to promote resilience and prevent trauma;
- 432.5 ~~(13)~~ (14) transition age services to develop or expand mental health treatment and
- 432.6 supports for adolescents and young adults 26 years of age or younger;
- 432.7 ~~(14)~~ (15) early childhood mental health consultation;
- 432.8 ~~(15)~~ (16) evidence-based interventions for youth at risk of developing or experiencing
- 432.9 a first episode of psychosis, and a public awareness campaign on the signs and symptoms
- 432.10 of psychosis;
- 432.11 ~~(16)~~ (17) psychiatric consultation for primary care practitioners; and
- 432.12 ~~(17)~~ (18) providers to begin operations and meet program requirements when establishing
- 432.13 a new children's mental health program. These may be start-up grants.
- 432.14 (c) Services under paragraph (b) must be designed to help each child to function and
- 432.15 remain with the child's family in the community and delivered consistent with the child's
- 432.16 treatment plan. Transition services to eligible young adults under this paragraph must be
- 432.17 designed to foster independent living in the community.
- 432.18 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
- 432.19 reimbursement sources, if applicable.
- 432.20 (e) The commissioner may establish and design a pilot program to expand the mobile
- 432.21 response and stabilization services model for children, youth, and families. The commissioner
- 432.22 may use grant funding to consult with a qualified expert entity to assist in the formulation
- 432.23 of measurable outcomes and explore and position the state to submit a Medicaid state plan
- 432.24 amendment to scale the model statewide.

432.25 Sec. 4. Minnesota Statutes 2022, section 245.4901, subdivision 4, is amended to read:

432.26 Subd. 4. **Data collection and outcome measurement.** Grantees shall provide data to

432.27 the commissioner for the purpose of evaluating the effectiveness of the school-linked

432.28 behavioral health grant program, no more frequently than twice per year. Data provided by

432.29 grantees must include only the number of clients served, client demographics, payor

432.30 information, client-related clinical and ancillary services including hours of direct client

432.31 services, and hours of ancillary support services. Qualitative data may also be collected to

433.1 demonstrate outcomes. The commissioner must consult with grantees to develop ongoing
 433.2 outcome measures for program capacity and performance.

433.3 Sec. 5. Minnesota Statutes 2022, section 245.4901, is amended by adding a subdivision
 433.4 to read:

433.5 Subd. 5. **Consultation; grant awards.** In administering the grant program, the
 433.6 commissioner shall consult with school districts that have not received grants under this
 433.7 section but that wish to collaborate with a community mental health provider. The
 433.8 commissioner shall also work with culturally specific providers to allow these providers to
 433.9 serve students from their community in multiple schools. When awarding grants, the
 433.10 commissioner shall consider the need to have consistency of providers over time among
 433.11 schools and students.

433.12 Sec. 6. [245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE
 433.13 GRANT PROGRAM.

433.14 Subdivision 1. **Establishment.** The commissioner of human services must establish a
 433.15 cultural and ethnic minority infrastructure grant program to ensure that mental health and
 433.16 substance use disorder treatment supports and services are culturally specific and culturally
 433.17 responsive to meet the cultural needs of communities served.

433.18 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider from
 433.19 a cultural or ethnic minority population who:

433.20 (1) provides mental health or substance use disorder treatment services and supports to
 433.21 individuals from cultural and ethnic minority populations, including members of those
 433.22 populations who identify as lesbian, gay, bisexual, transgender, or queer;

433.23 (2) provides, or is qualified and has the capacity to provide, clinical supervision and
 433.24 support to members of culturally diverse and ethnic minority communities so they may
 433.25 become qualified mental health and substance use disorder treatment providers; or

433.26 (3) has the capacity and experience to provide training for mental health and substance
 433.27 use disorder treatment providers on cultural competency and cultural humility.

433.28 Subd. 3. **Allowable grant activities.** (a) Grantees must engage in activities and provide
 433.29 supportive services to ensure and increase equitable access to culturally specific and
 433.30 responsive care and build organizational and professional capacity for licensure and
 433.31 certification for the communities served. Allowable grant activities include but are not
 433.32 limited to:

434.1 (1) providing workforce development activities focused on recruiting, supporting,
434.2 training, and supervising mental health and substance use disorder practitioners and
434.3 professionals from diverse racial, cultural, and ethnic communities;

434.4 (2) helping members of racial and ethnic minority communities become qualified mental
434.5 health and substance use disorder professionals, practitioners, clinical supervisors, recovery
434.6 peer specialists, mental health certified peer specialists, and mental health certified family
434.7 peer specialists;

434.8 (3) providing culturally specific outreach, early intervention, trauma-informed services,
434.9 and recovery support in mental health and substance use disorder services;

434.10 (4) providing trauma-informed and culturally responsive mental health and substance
434.11 use disorder supports and services to children and families, youth, or adults who are from
434.12 cultural and ethnic minority backgrounds and are uninsured or underinsured;

434.13 (5) expanding mental health and substance use disorder services, particularly in greater
434.14 Minnesota;

434.15 (6) training mental health and substance use disorder treatment providers on cultural
434.16 competency and cultural humility;

434.17 (7) providing activities that increase the availability of culturally responsive mental
434.18 health and substance use disorder services for children and families, youth, or adults, or
434.19 that increase the availability of substance use disorder services for individuals from cultural
434.20 and ethnic minorities in the state;

434.21 (8) providing interpreter services at intensive residential treatment facilities, children's
434.22 residential treatment centers, or psychiatric residential treatment facilities in order for
434.23 children or adults with limited English proficiency or children or adults who are fluent in
434.24 another language to be able to access treatment; and

434.25 (9) paying for case-specific consultation between a mental health professional and the
434.26 appropriate diverse mental health professional in order to facilitate the provision of services
434.27 that are culturally appropriate to a client's needs.

434.28 (b) The commissioner must assist grantees with meeting third-party credentialing
434.29 requirements, and grantees must obtain all available third-party reimbursement sources as
434.30 a condition of receiving grant money. Grantees must serve individuals from cultural and
434.31 ethnic minority communities regardless of health coverage status or ability to pay.

434.32 Subd. 4. **Data collection and outcomes.** Grantees must provide regular data summaries
434.33 to the commissioner for purposes of evaluating the effectiveness of the cultural and ethnic

435.1 minority infrastructure grant program. The commissioner must use identified culturally
 435.2 appropriate outcome measures instruments to evaluate outcomes and must evaluate program
 435.3 activities by analyzing whether the program:

435.4 (1) increased access to culturally specific services for individuals from cultural and
 435.5 ethnic minority communities across the state;

435.6 (2) increased the number of individuals from cultural and ethnic minority communities
 435.7 served by grantees;

435.8 (3) increased cultural responsiveness and cultural competency of mental health and
 435.9 substance use disorder treatment providers;

435.10 (4) increased the number of mental health and substance use disorder treatment providers
 435.11 and clinical supervisors from cultural and ethnic minority communities;

435.12 (5) increased the number of mental health and substance use disorder treatment
 435.13 organizations owned, managed, or led by individuals who are Black, Indigenous, or people
 435.14 of color;

435.15 (6) reduced health disparities through improved clinical and functional outcomes for
 435.16 those accessing services; and

435.17 (7) led to an overall increase in culturally specific mental health and substance use
 435.18 disorder service availability.

435.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

435.20 Sec. 7. Minnesota Statutes 2022, section 245I.04, subdivision 14, is amended to read:

435.21 Subd. 14. **Mental health rehabilitation worker qualifications.** (a) A mental health
 435.22 rehabilitation worker must:

435.23 (1) have a high school diploma or equivalent; ~~and~~

435.24 (2) have the training required under section 245I.05, subdivision 3, paragraph (c); and

435.25 ~~(2)~~ (3) meet one of the following qualification requirements:

435.26 (i) be fluent in the non-English language or competent in the culture of the ethnic group
 435.27 to which at least 20 percent of the mental health rehabilitation worker's clients belong;

435.28 (ii) have an associate of arts degree;

435.29 (iii) have two years of full-time postsecondary education or a total of 15 semester hours
 435.30 or 23 quarter hours in behavioral sciences or related fields;

436.1 (iv) be a registered nurse;

436.2 (v) have, within the previous ten years, three years of personal life experience with
436.3 mental illness;

436.4 (vi) have, within the previous ten years, three years of life experience as a primary
436.5 caregiver to an adult with a mental illness, traumatic brain injury, substance use disorder,
436.6 or developmental disability; or

436.7 (vii) have, within the previous ten years, 2,000 hours of work experience providing
436.8 health and human services to individuals.

436.9 (b) A mental health rehabilitation worker who is exclusively scheduled as an overnight
436.10 staff person ~~and works alone~~ is exempt from the additional qualification requirements in
436.11 paragraph (a), clause ~~(2)~~ (3).

436.12 Sec. 8. Minnesota Statutes 2022, section 245I.04, subdivision 16, is amended to read:

436.13 Subd. 16. **Mental health behavioral aide qualifications.** (a) A level 1 mental health
436.14 behavioral aide must have the training required under section 245I.05, subdivision 3,
436.15 paragraph (c), and: (1) a high school diploma or equivalent; or (2) two years of experience
436.16 as a primary caregiver to a child with mental illness within the previous ten years.

436.17 (b) A level 2 mental health behavioral aide must: ~~(1)~~ have the training required under
436.18 section 245I.05, subdivision 3, paragraph (c), and an associate or bachelor's degree; ~~or (2)~~
436.19 ~~be certified by a program under section 256B.0943, subdivision 8a.~~

436.20 Sec. 9. Minnesota Statutes 2022, section 245I.05, subdivision 3, is amended to read:

436.21 Subd. 3. **Initial training.** (a) A staff person must receive training about:

436.22 (1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

436.23 (2) the maltreatment of minor reporting requirements and definitions in chapter 260E
436.24 within 72 hours of first providing direct contact services to a client.

436.25 (b) Before providing direct contact services to a client, a staff person must receive training
436.26 about:

436.27 (1) client rights and protections under section 245I.12;

436.28 (2) the Minnesota Health Records Act, including client confidentiality, family engagement
436.29 under section 144.294, and client privacy;

437.1 (3) emergency procedures that the staff person must follow when responding to a fire,
437.2 inclement weather, a report of a missing person, and a behavioral or medical emergency;

437.3 (4) specific activities and job functions for which the staff person is responsible, including
437.4 the license holder's program policies and procedures applicable to the staff person's position;

437.5 (5) professional boundaries that the staff person must maintain; and

437.6 (6) specific needs of each client to whom the staff person will be providing direct contact
437.7 services, including each client's developmental status, cognitive functioning, and physical
437.8 and mental abilities.

437.9 (c) Before providing direct contact services to a client, a mental health rehabilitation
437.10 worker, mental health behavioral aide, or mental health practitioner required to receive the
437.11 training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

437.12 (1) mental illnesses;

437.13 (2) client recovery and resiliency;

437.14 (3) mental health de-escalation techniques;

437.15 (4) co-occurring mental illness and substance use disorders; and

437.16 (5) psychotropic medications and medication side effects.

437.17 (d) Within 90 days of first providing direct contact services to an adult client, ~~a clinical~~
437.18 ~~trainee~~, mental health practitioner, mental health certified peer specialist, or mental health
437.19 rehabilitation worker must receive training about:

437.20 (1) trauma-informed care and secondary trauma;

437.21 (2) person-centered individual treatment plans, including seeking partnerships with
437.22 family and other natural supports;

437.23 (3) co-occurring substance use disorders; and

437.24 (4) culturally responsive treatment practices.

437.25 (e) Within 90 days of first providing direct contact services to a child client, ~~a clinical~~
437.26 ~~trainee~~, mental health practitioner, mental health certified family peer specialist, mental
437.27 health certified peer specialist, or mental health behavioral aide must receive training about
437.28 the topics in clauses (1) to (5). This training must address the developmental characteristics
437.29 of each child served by the license holder and address the needs of each child in the context
437.30 of the child's family, support system, and culture. Training topics must include:

438.1 (1) trauma-informed care and secondary trauma, including adverse childhood experiences
438.2 (ACEs);

438.3 (2) family-centered treatment plan development, including seeking partnership with a
438.4 child client's family and other natural supports;

438.5 (3) mental illness and co-occurring substance use disorders in family systems;

438.6 (4) culturally responsive treatment practices; and

438.7 (5) child development, including cognitive functioning, and physical and mental abilities.

438.8 (f) For a mental health behavioral aide, the training under paragraph (e) must include
438.9 parent team training using a curriculum approved by the commissioner.

438.10 Sec. 10. Minnesota Statutes 2022, section 245I.08, subdivision 2, is amended to read:

438.11 Subd. 2. **Documentation standards.** A license holder must ensure that all documentation
438.12 required by this chapter:

438.13 (1) is legible;

438.14 (2) identifies the applicable client name on each page of the client file and staff person
438.15 name on each page of the personnel file; and

438.16 (3) is signed and dated by the staff persons who provided services to the client or
438.17 completed the documentation, including the staff persons' credentials.

438.18 Sec. 11. Minnesota Statutes 2022, section 245I.08, subdivision 3, is amended to read:

438.19 Subd. 3. **Documenting approval.** A license holder must ensure that all diagnostic
438.20 assessments, functional assessments, level of care assessments, and treatment plans completed
438.21 by a clinical trainee or mental health practitioner contain documentation of approval by a
438.22 treatment supervisor within five ten business days of initial completion by the staff person
438.23 under treatment supervision.

438.24 Sec. 12. Minnesota Statutes 2022, section 245I.08, subdivision 4, is amended to read:

438.25 Subd. 4. **Progress notes.** A license holder must use a progress note to document each
438.26 occurrence of a mental health service that a staff person provides to a client. A progress
438.27 note must include the following:

438.28 (1) the type of service;

438.29 (2) the date of service;

439.1 (3) the start and stop time of the service unless the license holder is licensed as a
439.2 residential program;

439.3 (4) the location of the service;

439.4 (5) the scope of the service, including: (i) the targeted goal and objective; (ii) the
439.5 intervention that the staff person provided to the client and the methods that the staff person
439.6 used; (iii) the client's response to the intervention; and (iv) the staff person's plan to take
439.7 future actions, including changes in treatment that the staff person will implement if the
439.8 intervention was ineffective; ~~and (v) the service modality;~~

439.9 (6) the signature and credentials of the staff person who provided the service to the
439.10 client;

439.11 (7) the mental health provider travel documentation required by section 256B.0625, if
439.12 applicable; and

439.13 (8) significant observations by the staff person, if applicable, including: (i) the client's
439.14 current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with
439.15 or referrals to other professionals, family, or significant others; and (iv) changes in the
439.16 client's mental or physical symptoms.

439.17 Sec. 13. Minnesota Statutes 2022, section 245I.10, subdivision 2, is amended to read:

439.18 Subd. 2. **Generally.** (a) A license holder must use a client's diagnostic assessment or
439.19 crisis assessment to determine a client's eligibility for mental health services, except as
439.20 provided in this section.

439.21 (b) Prior to completing a client's initial diagnostic assessment, a license holder may
439.22 provide a client with the following services:

439.23 (1) an explanation of findings;

439.24 (2) neuropsychological testing, neuropsychological assessment, and psychological
439.25 testing;

439.26 (3) any combination of psychotherapy sessions, family psychotherapy sessions, and
439.27 family psychoeducation sessions not to exceed three sessions;

439.28 (4) crisis assessment services according to section 256B.0624; and

439.29 (5) ten days of intensive residential treatment services according to the assessment and
439.30 treatment planning standards in section 245I.23, subdivision 7.

440.1 (c) Based on the client's needs that a crisis assessment identifies under section 256B.0624,
440.2 a license holder may provide a client with the following services:

440.3 (1) crisis intervention and stabilization services under section 245I.23 or 256B.0624;
440.4 and

440.5 (2) any combination of psychotherapy sessions, group psychotherapy sessions, family
440.6 psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions
440.7 within a 12-month period without prior authorization.

440.8 (d) Based on the client's needs in the client's brief diagnostic assessment, a license holder
440.9 may provide a client with any combination of psychotherapy sessions, group psychotherapy
440.10 sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed
440.11 ten sessions within a 12-month period without prior authorization for any new client or for
440.12 an existing client who the license holder projects will need fewer than ten sessions during
440.13 the next 12 months.

440.14 (e) Based on the client's needs that a hospital's medical history and presentation
440.15 examination identifies, a license holder may provide a client with:

440.16 (1) any combination of psychotherapy sessions, group psychotherapy sessions, family
440.17 psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions
440.18 within a 12-month period without prior authorization for any new client or for an existing
440.19 client who the license holder projects will need fewer than ten sessions during the next 12
440.20 months; and

440.21 (2) up to five days of day treatment services or partial hospitalization.

440.22 (f) A license holder must complete a new standard diagnostic assessment of a client or
440.23 an update to an assessment as permitted under paragraph (g):

440.24 (1) when the client requires services of a greater number or intensity than the services
440.25 that paragraphs (b) to (e) describe;

440.26 (2) ~~at least annually following the client's initial diagnostic assessment~~ if the client needs
440.27 additional mental health services and the client does not meet the criteria for a brief
440.28 assessment;

440.29 (3) when the client's mental health condition has changed markedly since the client's
440.30 most recent diagnostic assessment; ~~or~~

440.31 (4) when the client's current mental health condition does not meet the criteria of the
440.32 client's current diagnosis; or

441.1 (5) upon the client's request.

441.2 (g) For ~~an existing~~ a client who is already engaged in services and has a prior assessment,
 441.3 ~~the license holder must ensure that a new standard diagnostic assessment includes~~ complete
 441.4 ~~a written update containing all significant new or changed information about the client,~~
 441.5 removal of outdated or inaccurate information, and an update regarding what information
 441.6 has not significantly changed, including a discussion with the client about changes in the
 441.7 client's life situation, functioning, presenting problems, and progress with achieving treatment
 441.8 goals since the client's last diagnostic assessment was completed.

441.9 Sec. 14. Minnesota Statutes 2022, section 245I.10, subdivision 3, is amended to read:

441.10 Subd. 3. **Continuity of services.** (a) For any client with a diagnostic assessment
 441.11 completed under Minnesota Rules, parts 9505.0370 to 9505.0372, before July 1, 2022, or
 441.12 upon federal approval, whichever is later, the diagnostic assessment is valid for authorizing
 441.13 the client's treatment and billing for one calendar year after the date that the assessment was
 441.14 completed.

441.15 (b) For any client with an individual treatment plan completed under section 256B.0622,
 441.16 256B.0623, 256B.0943, 256B.0946, or 256B.0947 or Minnesota Rules, parts 9505.0370 to
 441.17 9505.0372, the client's treatment plan is valid for authorizing treatment and billing until the
 441.18 treatment plan's expiration date.

441.19 (c) This subdivision expires ~~July 1~~ October 17, 2023.

441.20 Sec. 15. Minnesota Statutes 2022, section 245I.10, subdivision 5, is amended to read:

441.21 Subd. 5. **Brief diagnostic assessment; required elements.** (a) Only a mental health
 441.22 professional or clinical trainee may complete a brief diagnostic assessment of a client. ~~A~~
 441.23 ~~license holder may only use a brief diagnostic assessment for a client who is six years of~~
 441.24 ~~age or older.~~

441.25 (b) When conducting a brief diagnostic assessment of a client, the assessor must complete
 441.26 a face-to-face interview with the client and a written evaluation of the client. The assessor
 441.27 must gather and document initial components of the client's standard diagnostic assessment,
 441.28 including the client's:

441.29 (1) age;

441.30 (2) description of symptoms, including the reason for the client's referral;

441.31 (3) history of mental health treatment;

442.1 (4) cultural influences on the client; and

442.2 (5) mental status examination.

442.3 (c) Based on the initial components of the assessment, the assessor must develop a
442.4 provisional diagnostic formulation about the client. The assessor may use the client's
442.5 provisional diagnostic formulation to address the client's immediate needs and presenting
442.6 problems.

442.7 (d) A mental health professional or clinical trainee may use treatment sessions with the
442.8 client authorized by a brief diagnostic assessment to gather additional information about
442.9 the client to complete the client's standard diagnostic assessment if the number of sessions
442.10 will exceed the coverage limits in subdivision 2.

442.11 Sec. 16. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

442.12 Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health
442.13 professional or a clinical trainee may complete a standard diagnostic assessment of a client.
442.14 A standard diagnostic assessment of a client must include a face-to-face interview with a
442.15 client and a written evaluation of the client. The assessor must complete a client's standard
442.16 diagnostic assessment within the client's cultural context.

442.17 (b) When completing a standard diagnostic assessment of a client, the assessor must
442.18 gather and document information about the client's current life situation, including the
442.19 following information:

442.20 (1) the client's age;

442.21 (2) the client's current living situation, including the client's housing status and household
442.22 members;

442.23 (3) the status of the client's basic needs;

442.24 (4) the client's education level and employment status;

442.25 (5) the client's current medications;

442.26 (6) any immediate risks to the client's health and safety;

442.27 (7) the client's perceptions of the client's condition;

442.28 (8) the client's description of the client's symptoms, including the reason for the client's
442.29 referral;

442.30 (9) the client's history of mental health treatment; and

443.1 (10) cultural influences on the client.

443.2 (c) If the assessor cannot obtain the information that this paragraph requires without
443.3 retraumatizing the client or harming the client's willingness to engage in treatment, the
443.4 assessor must identify which topics will require further assessment during the course of the
443.5 client's treatment. The assessor must gather and document information related to the following
443.6 topics:

443.7 (1) the client's relationship with the client's family and other significant personal
443.8 relationships, including the client's evaluation of the quality of each relationship;

443.9 (2) the client's strengths and resources, including the extent and quality of the client's
443.10 social networks;

443.11 (3) important developmental incidents in the client's life;

443.12 (4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

443.13 (5) the client's history of or exposure to alcohol and drug usage and treatment; and

443.14 (6) the client's health history and the client's family health history, including the client's
443.15 physical, chemical, and mental health history.

443.16 (d) When completing a standard diagnostic assessment of a client, an assessor must use
443.17 a recognized diagnostic framework.

443.18 (1) When completing a standard diagnostic assessment of a client who is five years of
443.19 age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic
443.20 Classification of Mental Health and Development Disorders of Infancy and Early Childhood
443.21 published by Zero to Three.

443.22 (2) When completing a standard diagnostic assessment of a client who is six years of
443.23 age or older, the assessor must use the current edition of the Diagnostic and Statistical
443.24 Manual of Mental Disorders published by the American Psychiatric Association.

443.25 ~~(3) When completing a standard diagnostic assessment of a client who is five years of~~
443.26 ~~age or younger, an assessor must administer the Early Childhood Service Intensity Instrument~~
443.27 ~~(ECSII) to the client and include the results in the client's assessment.~~

443.28 ~~(4) When completing a standard diagnostic assessment of a client who is six to 17 years~~
443.29 ~~of age, an assessor must administer the Child and Adolescent Service Intensity Instrument~~
443.30 ~~(CASII) to the client and include the results in the client's assessment.~~

443.31 ~~(5)~~ (3) When completing a standard diagnostic assessment of a client who is 18 years
443.32 of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the

444.1 criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental
444.2 Disorders published by the American Psychiatric Association to screen and assess the client
444.3 for a substance use disorder.

444.4 (e) When completing a standard diagnostic assessment of a client, the assessor must
444.5 include and document the following components of the assessment:

444.6 (1) the client's mental status examination;

444.7 (2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources;
444.8 vulnerabilities; safety needs, including client information that supports the assessor's findings
444.9 after applying a recognized diagnostic framework from paragraph (d); and any differential
444.10 diagnosis of the client;

444.11 (3) an explanation of: (i) how the assessor diagnosed the client using the information
444.12 from the client's interview, assessment, psychological testing, and collateral information
444.13 about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths;
444.14 and (v) the client's responsivity factors.

444.15 (f) When completing a standard diagnostic assessment of a client, the assessor must
444.16 consult the client and the client's family about which services that the client and the family
444.17 prefer to treat the client. The assessor must make referrals for the client as to services required
444.18 by law.

444.19 (g) Information from other providers and prior assessments may be used to complete
444.20 the diagnostic assessment if the source of the information is documented in the diagnostic
444.21 assessment.

444.22 Sec. 17. Minnesota Statutes 2022, section 245I.10, subdivision 7, is amended to read:

444.23 Subd. 7. **Individual treatment plan.** A license holder must follow each client's written
444.24 individual treatment plan when providing services to the client with the following exceptions:

444.25 (1) services that do not require that a license holder completes a standard diagnostic
444.26 assessment of a client before providing services to the client;

444.27 (2) when developing a treatment or service plan; and

444.28 (3) when a client re-engages in services under subdivision 8, paragraph (b).

444.29 Sec. 18. Minnesota Statutes 2022, section 245I.10, subdivision 8, is amended to read:

444.30 Subd. 8. **Individual treatment plan; required elements.** (a) After completing a client's
444.31 diagnostic assessment or reviewing a client's diagnostic assessment received from a different

445.1 provider and before providing services to the client beyond those permitted under subdivision
445.2 7, the license holder must complete the client's individual treatment plan. The license holder
445.3 must:

445.4 (1) base the client's individual treatment plan on the client's diagnostic assessment and
445.5 baseline measurements;

445.6 (2) for a child client, use a child-centered, family-driven, and culturally appropriate
445.7 planning process that allows the child's parents and guardians to observe and participate in
445.8 the child's individual and family treatment services, assessments, and treatment planning;

445.9 (3) for an adult client, use a person-centered, culturally appropriate planning process
445.10 that allows the client's family and other natural supports to observe and participate in the
445.11 client's treatment services, assessments, and treatment planning;

445.12 (4) identify the client's treatment goals, measureable treatment objectives, a schedule
445.13 for accomplishing the client's treatment goals and objectives, a treatment strategy, and the
445.14 individuals responsible for providing treatment services and supports to the client. The
445.15 license holder must have a treatment strategy to engage the client in treatment if the client:

445.16 (i) has a history of not engaging in treatment; and

445.17 (ii) is ordered by a court to participate in treatment services or to take neuroleptic
445.18 medications;

445.19 (5) identify the participants involved in the client's treatment planning. The client must
445.20 be a participant in the client's treatment planning. If applicable, the license holder must
445.21 document the reasons that the license holder did not involve the client's family or other
445.22 natural supports in the client's treatment planning;

445.23 (6) review the client's individual treatment plan every 180 days and update the client's
445.24 individual treatment plan with the client's treatment progress, new treatment objectives and
445.25 goals or, if the client has not made treatment progress, changes in the license holder's
445.26 approach to treatment; and

445.27 (7) ensure that the client approves of the client's individual treatment plan unless a court
445.28 orders the client's treatment plan under chapter 253B.

445.29 (b) If the client disagrees with the client's treatment plan, the license holder must
445.30 document in the client file the reasons why the client does not agree with the treatment plan.
445.31 If the license holder cannot obtain the client's approval of the treatment plan, a mental health
445.32 professional must make efforts to obtain approval from a person who is authorized to consent
445.33 on the client's behalf within 30 days after the client's previous individual treatment plan

446.1 expired. A license holder may not deny a client service during this time period solely because
446.2 the license holder could not obtain the client's approval of the client's individual treatment
446.3 plan. A license holder may continue to bill for the client's otherwise eligible services when
446.4 the client re-engages in services.

446.5 Sec. 19. Minnesota Statutes 2022, section 245I.11, subdivision 3, is amended to read:

446.6 Subd. 3. **Storing and accounting for medications.** (a) If a license holder stores client
446.7 medications, the license holder must:

446.8 (1) store client medications in original containers in a locked location;

446.9 (2) store refrigerated client medications in special trays or containers that are separate
446.10 from food;

446.11 (3) store client medications marked "for external use only" in a compartment that is
446.12 separate from other client medications;

446.13 (4) store Schedule II ~~to IV~~ drugs listed in section 152.02, ~~subdivisions~~ subdivision 3 to
446.14 5, in a compartment that is locked separately from other medications;

446.15 (5) ensure that only authorized staff persons have access to stored client medications;

446.16 (6) follow a documentation procedure ~~on each shift~~ to account for all ~~scheduled~~ Schedule
446.17 II to V drugs listed in section 152.02, subdivisions 3 to 6; and

446.18 (7) record each incident when a staff person accepts a supply of client medications and
446.19 destroy discontinued, outdated, or deteriorated client medications.

446.20 (b) If a license holder is licensed as a residential program, the license holder must allow
446.21 clients who self-administer medications to keep a private medication supply. The license
446.22 holder must ensure that the client stores all private medication in a locked container in the
446.23 client's private living area, unless the private medication supply poses a health and safety
446.24 risk to any clients. A client must not maintain a private medication supply of a prescription
446.25 medication without a written medication order from a licensed prescriber and a prescription
446.26 label that includes the client's name.

446.27 Sec. 20. Minnesota Statutes 2022, section 245I.11, subdivision 4, is amended to read:

446.28 Subd. 4. **Medication orders.** (a) If a license holder stores, prescribes, or administers
446.29 medications or observes a client self-administer medications, the license holder must:

446.30 (1) ensure that a licensed prescriber writes all orders to accept, administer, or discontinue
446.31 client medications;

447.1 (2) accept nonwritten orders to administer client medications in emergency circumstances
447.2 only;

447.3 (3) establish a timeline and process for obtaining a written order with the licensed
447.4 prescriber's signature when the license holder accepts a nonwritten order to administer client
447.5 medications; and

447.6 ~~(4) obtain prescription medication renewals from a licensed prescriber for each client~~
447.7 ~~every 90 days for psychotropic medications and annually for all other medications; and~~

447.8 ~~(5)~~ (4) maintain the client's right to privacy and dignity.

447.9 (b) If a license holder employs a licensed prescriber, the license holder must inform the
447.10 client about potential medication effects and side effects and obtain and document the client's
447.11 informed consent before the licensed prescriber prescribes a medication.

447.12 Sec. 21. Minnesota Statutes 2022, section 245I.20, subdivision 5, is amended to read:

447.13 Subd. 5. **Treatment supervision specified.** ~~(a)~~ A mental health professional must remain
447.14 responsible for each client's case. The certification holder must document the name of the
447.15 mental health professional responsible for each case and the dates that the mental health
447.16 professional is responsible for the client's case from beginning date to end date. The
447.17 certification holder must assign each client's case for assessment, diagnosis, and treatment
447.18 services to a treatment team member who is competent in the assigned clinical service, the
447.19 recommended treatment strategy, and in treating the client's characteristics.

447.20 ~~(b) Treatment supervision of mental health practitioners and clinical trainees required~~
447.21 ~~by section 245I.06 must include case reviews as described in this paragraph. Every two~~
447.22 ~~months, a mental health professional must complete and document a case review of each~~
447.23 ~~client assigned to the mental health professional when the client is receiving clinical services~~
447.24 ~~from a mental health practitioner or clinical trainee. The case review must include a~~
447.25 ~~consultation process that thoroughly examines the client's condition and treatment, including:~~
447.26 ~~(1) a review of the client's reason for seeking treatment, diagnoses and assessments, and~~
447.27 ~~the individual treatment plan; (2) a review of the appropriateness, duration, and outcome~~
447.28 ~~of treatment provided to the client; and (3) treatment recommendations.~~

447.29 Sec. 22. Minnesota Statutes 2022, section 245I.20, subdivision 6, is amended to read:

447.30 Subd. 6. **Additional policy and procedure requirements.** (a) In addition to the policies
447.31 and procedures required by section 245I.03, the certification holder must establish, enforce,
447.32 and maintain the policies and procedures required by this subdivision.

448.1 (b) The certification holder must have a clinical evaluation procedure to identify and
448.2 document each treatment team member's areas of competence.

448.3 (c) The certification holder must have policies and procedures for client intake and case
448.4 assignment that:

448.5 (1) outline the client intake process;

448.6 (2) describe how the mental health clinic determines the appropriateness of accepting a
448.7 client into treatment by reviewing the client's condition and need for treatment, the clinical
448.8 services that the mental health clinic offers to clients, and other available resources; and

448.9 (3) contain a process for assigning a client's case to a mental health professional who is
448.10 responsible for the client's case and other treatment team members.

448.11 (d) Notwithstanding the requirements under section 245I.10, subdivisions 5 to 9, for the
448.12 required elements of a diagnostic assessment and a treatment plan, psychiatry billed as
448.13 evaluation and management services must be documented in accordance with the most
448.14 recent current procedural terminology as published by the American Medical Association.

448.15 Sec. 23. Minnesota Statutes 2022, section 254B.02, subdivision 5, is amended to read:

448.16 Subd. 5. ~~Administrative adjustment~~ Local agency allocation. The commissioner may
448.17 make payments to local agencies from money allocated under this section to support
448.18 ~~administrative activities under sections 254B.03 and 254B.04~~ individuals with substance
448.19 use disorders. The ~~administrative~~ payment must not exceed the lesser of: (1) five percent
448.20 ~~of the first \$50,000, four percent of the next \$50,000, and three percent of the remaining~~
448.21 ~~payments for services from the special revenue account according to subdivision 1; or (2)~~
448.22 be less than 133 percent of the local agency administrative payment for the fiscal year ending
448.23 June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this
448.24 chapter.

448.25 EFFECTIVE DATE. This section is effective the day following final enactment.

448.26 Sec. 24. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

448.27 Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are
448.28 eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors,
448.29 notwithstanding the provisions of section 245A.03. American Indian programs that provide
448.30 substance use disorder treatment, extended care, transitional residence, or outpatient treatment
448.31 services, and are licensed by tribal government are eligible vendors.

449.1 (b) A licensed professional in private practice as defined in section 245G.01, subdivision
449.2 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible
449.3 vendor of a comprehensive assessment and assessment summary provided according to
449.4 section 245G.05, and treatment services provided according to sections 245G.06 and
449.5 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses
449.6 (1) to (6).

449.7 (c) A county is an eligible vendor for a comprehensive assessment and assessment
449.8 summary when provided by an individual who meets the staffing credentials of section
449.9 245G.11, subdivisions 1 and 5, and completed according to the requirements of section
449.10 245G.05. A county is an eligible vendor of care coordination services when provided by an
449.11 individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and
449.12 provided according to the requirements of section 245G.07, subdivision 1, paragraph (a),
449.13 clause (5).

449.14 (d) A recovery community organization that meets certification requirements identified
449.15 by the commissioner is an eligible vendor of peer support services.

449.16 (e) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
449.17 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or
449.18 nonresidential substance use disorder treatment or withdrawal management program by the
449.19 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
449.20 and 1b are not eligible vendors.

449.21 (f) Hospitals, federally qualified health centers, and rural health clinics are eligible
449.22 vendors of a comprehensive assessment when the comprehensive assessment is completed
449.23 according to section 245G.05 and by an individual who meets the criteria of an alcohol and
449.24 drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor
449.25 must be individually enrolled with the commissioner and reported on the claim as the
449.26 individual who provided the service.

449.27 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
449.28 of human services shall notify the revisor of statutes when federal approval is obtained.

449.29 Sec. 25. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

449.30 Subd. 1a. **Room and board provider requirements.** (a) ~~Effective January 1, 2000,~~
449.31 Vendors of room and board are eligible for behavioral health fund payment if the vendor:

449.32 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
449.33 while residing in the facility and provide consequences for infractions of those rules;

- 450.1 (2) is determined to meet applicable health and safety requirements;
- 450.2 (3) is not a jail or prison;
- 450.3 (4) is not concurrently receiving funds under chapter 256I for the recipient;
- 450.4 (5) admits individuals who are 18 years of age or older;
- 450.5 (6) is registered as a board and lodging or lodging establishment according to section
450.6 157.17;
- 450.7 (7) has awake staff on site 24 hours per day;
- 450.8 (8) has staff who are at least 18 years of age and meet the requirements of section
450.9 245G.11, subdivision 1, paragraph (b);
- 450.10 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;
- 450.11 (10) meets the requirements of section 245G.08, subdivision 5, if administering
450.12 medications to clients;
- 450.13 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
450.14 fraternization and the mandatory reporting requirements of section 626.557;
- 450.15 (12) documents coordination with the treatment provider to ensure compliance with
450.16 section 254B.03, subdivision 2;
- 450.17 (13) protects client funds and ensures freedom from exploitation by meeting the
450.18 provisions of section 245A.04, subdivision 13;
- 450.19 (14) has a grievance procedure that meets the requirements of section 245G.15,
450.20 subdivision 2; and
- 450.21 (15) has sleeping and bathroom facilities for men and women separated by a door that
450.22 is locked, has an alarm, or is supervised by awake staff.
- 450.23 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
450.24 paragraph (a), clauses (5) to (15).
- 450.25 (c) Programs providing children's mental health crisis admissions and stabilization under
450.26 section 245.4882, subdivision 6, are eligible vendors of room and board.
- 450.27 (d) Programs providing children's residential services under section 245.4882, except
450.28 services for individuals who have a placement under chapter 260C or 260D, are eligible
450.29 vendors of room and board.

451.1 ~~(d)~~ (e) Licensed programs providing intensive residential treatment services or residential
 451.2 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors
 451.3 of room and board and are exempt from paragraph (a), clauses (6) to (15).

451.4 **EFFECTIVE DATE.** This section is effective July 1, 2023.

451.5 Sec. 26. Minnesota Statutes 2022, section 256.478, subdivision 1, is amended to read:

451.6 Subdivision 1. **Purpose and establishment.** (a) The commissioner shall establish the
 451.7 transition to community initiative to award grants to serve individuals who are not eligible
 451.8 for medical assistance or for whom goods, supports, and services not covered by medical
 451.9 assistance would allow them to:

451.10 (1) live in the least restrictive setting and as independently as possible;

451.11 (2) access services that support short- and long-term needs for developmental growth
 451.12 or individualized treatment needs;

451.13 ~~(2)~~ (3) build or maintain relationships with family and friends; and

451.14 ~~(3)~~ (4) participate in community life.

451.15 (b) Grantees must ensure that individuals are engaged in a process that involves
 451.16 person-centered planning and informed choice decision-making. The informed choice
 451.17 decision-making process must provide accessible written information and be experiential
 451.18 whenever possible, and must engage family members, legal guardians, or natural supports,
 451.19 as appropriate and whenever possible.

451.20 Sec. 27. Minnesota Statutes 2022, section 256.478, subdivision 2, is amended to read:

451.21 Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative
 451.22 ~~if the individual does not meet eligibility criteria for the medical assistance program under~~
 451.23 ~~section 256B.056 or 256B.057, but who~~ can demonstrate that current services are not capable
 451.24 of meeting individual treatment and service needs that can be met in the community with
 451.25 support, and the individual meets at least one of the following criteria:

451.26 (1) the person ~~otherwise~~ meets the criteria under section 256B.092, subdivision 13, or
 451.27 256B.49, subdivision 24;

451.28 (2) the person has met treatment objectives and no longer requires a hospital-level care,
 451.29 residential-level care, or a secure treatment setting, but the person's discharge from the
 451.30 Anoka Metro Regional Treatment Center, the Minnesota Security Hospital Forensic Mental
 451.31 Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric

452.1 residential treatment facility under section 256B.0941, intensive residential treatment services
 452.2 under section 256B.0622, children's residential services under section 245.4882, juvenile
 452.3 detention facility, county supervised building, or a ~~community behavioral health~~ hospital
 452.4 would be substantially delayed without additional resources available through the transitions
 452.5 to community initiative;

452.6 ~~(3) the person is in a community hospital, but alternative community living options~~
 452.7 ~~would be appropriate for the person, and the person has received approval from the~~
 452.8 ~~commissioner; or~~

452.9 ~~(4)(i) (3) the person (i) is receiving customized living services reimbursed under section~~
 452.10 ~~256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or~~
 452.11 ~~community residential services reimbursed under section 256B.4914; (ii) the person expresses~~
 452.12 ~~a desire to move; and (iii) the person has received approval from the commissioner; or~~

452.13 (4) the person can demonstrate that the person's needs are beyond the scope of current
 452.14 service designs and grant funding can support the inclusion of additional supports for the
 452.15 person to access appropriate treatment and services in the least restrictive environment.

452.16 **EFFECTIVE DATE.** This section is effective July 1, 2023.

452.17 Sec. 28. Minnesota Statutes 2022, section 256B.0622, subdivision 7b, is amended to read:

452.18 Subd. 7b. **Assertive community treatment program size and opportunities.** (a) Each
 452.19 ACT team shall maintain an annual average caseload that does not exceed 100 clients.
 452.20 Staff-to-client ratios shall be based on team size as follows:

452.21 (1) a small ACT team must:

452.22 (i) employ at least six but no more than seven full-time treatment team staff, excluding
 452.23 the program assistant and the psychiatric care provider;

452.24 (ii) serve an annual average maximum of no more than 50 clients;

452.25 (iii) ensure at least one full-time equivalent position for every eight clients served;

452.26 (iv) schedule ACT team staff ~~for at least eight-hour shift coverage~~ on weekdays and
 452.27 on-call duty to provide crisis services and deliver services after hours when staff are not
 452.28 working;

452.29 (v) provide crisis services during business hours if the small ACT team does not have
 452.30 sufficient staff numbers to operate an after-hours on-call system. During all other hours,
 452.31 the ACT team may arrange for coverage for crisis assessment and intervention services
 452.32 through a reliable crisis-intervention provider as long as there is a mechanism by which the

453.1 ACT team communicates routinely with the crisis-intervention provider and the on-call
453.2 ACT team staff are available to see clients face-to-face when necessary or if requested by
453.3 the crisis-intervention services provider;

453.4 (vi) adjust schedules and provide staff to carry out the needed service activities in the
453.5 evenings or on weekend days or holidays, when necessary;

453.6 (vii) arrange for and provide psychiatric backup during all hours the psychiatric care
453.7 provider is not regularly scheduled to work. If availability of the ACT team's psychiatric
453.8 care provider during all hours is not feasible, alternative psychiatric prescriber backup must
453.9 be arranged and a mechanism of timely communication and coordination established in
453.10 writing; and

453.11 (viii) be composed of, at minimum, one full-time team leader, at least 16 hours each
453.12 week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time
453.13 equivalent nursing, one full-time co-occurring disorder specialist, one full-time equivalent
453.14 mental health certified peer specialist, one full-time vocational specialist, one full-time
453.15 program assistant, and at least one additional full-time ACT team member who has mental
453.16 health professional, certified rehabilitation specialist, clinical trainee, or mental health
453.17 practitioner status; and

453.18 (2) a midsize ACT team shall:

453.19 (i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry
453.20 time for 51 clients, with an additional two hours for every six clients added to the team, 1.5
453.21 to two full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one
453.22 full-time equivalent mental health certified peer specialist, one full-time vocational specialist,
453.23 one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT
453.24 members, with at least one dedicated full-time staff member with mental health professional
453.25 status. Remaining team members may have mental health professional, certified rehabilitation
453.26 specialist, clinical trainee, or mental health practitioner status;

453.27 (ii) employ seven or more treatment team full-time equivalents, excluding the program
453.28 assistant and the psychiatric care provider;

453.29 (iii) serve an annual average maximum caseload of 51 to 74 clients;

453.30 (iv) ensure at least one full-time equivalent position for every nine clients served;

453.31 (v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays
453.32 and six- to eight-hour shift coverage on weekends and holidays. In addition to these minimum

454.1 specifications, staff are regularly scheduled to provide the necessary services on a
454.2 client-by-client basis in the evenings and on weekends and holidays;

454.3 (vi) schedule ACT team staff on-call duty to provide crisis services and deliver services
454.4 when staff are not working;

454.5 (vii) have the authority to arrange for coverage for crisis assessment and intervention
454.6 services through a reliable crisis-intervention provider as long as there is a mechanism by
454.7 which the ACT team communicates routinely with the crisis-intervention provider and the
454.8 on-call ACT team staff are available to see clients face-to-face when necessary or if requested
454.9 by the crisis-intervention services provider; and

454.10 (viii) arrange for and provide psychiatric backup during all hours the psychiatric care
454.11 provider is not regularly scheduled to work. If availability of the psychiatric care provider
454.12 during all hours is not feasible, alternative psychiatric prescriber backup must be arranged
454.13 and a mechanism of timely communication and coordination established in writing;

454.14 (3) a large ACT team must:

454.15 (i) be composed of, at minimum, one full-time team leader, at least 32 hours each week
454.16 per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff,
454.17 one full-time co-occurring disorder specialist, one full-time equivalent mental health certified
454.18 peer specialist, one full-time vocational specialist, one full-time program assistant, and at
454.19 least two additional full-time equivalent ACT team members, with at least one dedicated
454.20 full-time staff member with mental health professional status. Remaining team members
454.21 may have mental health professional or mental health practitioner status;

454.22 (ii) employ nine or more treatment team full-time equivalents, excluding the program
454.23 assistant and psychiatric care provider;

454.24 (iii) serve an annual average maximum caseload of 75 to 100 clients;

454.25 (iv) ensure at least one full-time equivalent position for every nine individuals served;

454.26 (v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the
454.27 second shift providing services at least 12 hours per day weekdays. For weekends and
454.28 holidays, the team must operate and schedule ACT team staff to work one eight-hour shift,
454.29 with a minimum of two staff each weekend day and every holiday;

454.30 (vi) schedule ACT team staff on-call duty to provide crisis services and deliver services
454.31 when staff are not working; and

455.1 (vii) arrange for and provide psychiatric backup during all hours the psychiatric care
455.2 provider is not regularly scheduled to work. If availability of the ACT team psychiatric care
455.3 provider during all hours is not feasible, alternative psychiatric backup must be arranged
455.4 and a mechanism of timely communication and coordination established in writing.

455.5 (b) An ACT team of any size may have a staff-to-client ratio that is lower than the
455.6 requirements described in paragraph (a) upon approval by the commissioner, but may not
455.7 exceed a one-to-ten staff-to-client ratio.

455.8 Sec. 29. Minnesota Statutes 2022, section 256B.0622, subdivision 7c, is amended to read:

455.9 Subd. 7c. **Assertive community treatment program organization and communication**
455.10 **requirements.** (a) An ACT team shall provide at least 75 percent of all services in the
455.11 community in non-office-based or non-facility-based settings.

455.12 (b) ACT team members must know all clients receiving services, and interventions must
455.13 be carried out with consistency and follow empirically supported practice.

455.14 (c) Each ACT team client shall be assigned an individual treatment team that is
455.15 determined by a variety of factors, including team members' expertise and skills, rapport,
455.16 and other factors specific to the individual's preferences. The majority of clients shall see
455.17 at least three ACT team members in a given month.

455.18 (d) The ACT team shall have the capacity to rapidly increase service intensity to a client
455.19 when the client's status requires it, regardless of geography, and provide flexible service in
455.20 an individualized manner, and see clients on average three times per week for at least 120
455.21 minutes per week at a frequency that meets the client's needs. Services must be available
455.22 at times that meet client needs.

455.23 (e) ACT teams shall make deliberate efforts to assertively engage clients in services.
455.24 Input of family members, natural supports, and previous and subsequent treatment providers
455.25 is required in developing engagement strategies. ACT teams shall include the client, identified
455.26 family, and other support persons in the admission, initial assessment, and planning process
455.27 as primary stakeholders, meet with the client in the client's environment at times of the day
455.28 and week that honor the client's preferences, and meet clients at home and in jails or prisons,
455.29 streets, homeless shelters, or hospitals.

455.30 (f) ACT teams shall ensure that a process is in place for identifying individuals in need
455.31 of more or less assertive engagement. Interventions are monitored to determine the success
455.32 of these techniques and the need to adapt the techniques or approach accordingly.

456.1 (g) ACT teams shall conduct daily team meetings to systematically update clinically
 456.2 relevant information, briefly discuss the status of assertive community treatment clients
 456.3 over the past 24 hours, problem solve emerging issues, plan approaches to address and
 456.4 prevent crises, and plan the service contacts for the following 24-hour period or weekend.
 456.5 All team members scheduled to work shall attend this meeting.

456.6 (h) ACT teams shall maintain a clinical log that succinctly documents important clinical
 456.7 information and develop a daily team schedule for the day's contacts based on a central file
 456.8 of the clients' weekly or monthly schedules, which are derived from interventions specified
 456.9 within the individual treatment plan. The team leader must have a record to ensure that all
 456.10 assigned contacts are completed.

456.11 Sec. 30. Minnesota Statutes 2022, section 256B.0623, subdivision 4, is amended to read:

456.12 Subd. 4. **Provider entity standards.** (a) The provider entity must be certified by the
 456.13 state following the certification process and procedures developed by the commissioner.

456.14 (b) The certification process is a determination as to whether the entity meets the standards
 456.15 in this section and chapter 245I, as required in section 245I.011, subdivision 5. The
 456.16 certification must specify which adult rehabilitative mental health services the entity is
 456.17 qualified to provide.

456.18 ~~(e) A noncounty provider entity must obtain additional certification from each county~~
 456.19 ~~in which it will provide services. The additional certification must be based on the adequacy~~
 456.20 ~~of the entity's knowledge of that county's local health and human service system, and the~~
 456.21 ~~ability of the entity to coordinate its services with the other services available in that county.~~
 456.22 ~~A county-operated entity must obtain this additional certification from any other county in~~
 456.23 ~~which it will provide services.~~

456.24 ~~(d)~~ (c) State-level recertification must occur at least every three years.

456.25 ~~(e)~~ (d) The commissioner may intervene at any time and decertify providers with cause.
 456.26 The decertification is subject to appeal to the state. A county board may recommend that
 456.27 the state decertify a provider for cause.

456.28 ~~(f)~~ (e) The adult rehabilitative mental health services provider entity must meet the
 456.29 following standards:

456.30 (1) have capacity to recruit, hire, manage, and train qualified staff;

456.31 (2) have adequate administrative ability to ensure availability of services;

457.1 (3) ensure that staff are skilled in the delivery of the specific adult rehabilitative mental
457.2 health services provided to the individual eligible recipient;

457.3 (4) ensure enough flexibility in service delivery to respond to the changing and
457.4 intermittent care needs of a recipient as identified by the recipient and the individual treatment
457.5 plan;

457.6 (5) assist the recipient in arranging needed crisis assessment, intervention, and
457.7 stabilization services;

457.8 (6) ensure that services are coordinated with other recipient mental health services
457.9 providers and the county mental health authority and the federally recognized American
457.10 Indian authority and necessary others after obtaining the consent of the recipient. Services
457.11 must also be coordinated with the recipient's case manager or care coordinator if the recipient
457.12 is receiving case management or care coordination services;

457.13 (7) keep all necessary records required by law;

457.14 (8) deliver services as required by section 245.461;

457.15 (9) be an enrolled Medicaid provider; and

457.16 (10) maintain a quality assurance plan to determine specific service outcomes and the
457.17 recipient's satisfaction with services.

457.18 Sec. 31. Minnesota Statutes 2022, section 256B.0624, subdivision 5, is amended to read:

457.19 Subd. 5. **Crisis assessment and intervention staff qualifications.** (a) Qualified
457.20 individual staff of a qualified provider entity must provide crisis assessment and intervention
457.21 services to a recipient. A staff member providing crisis assessment and intervention services
457.22 to a recipient must be qualified as a:

457.23 (1) mental health professional;

457.24 (2) clinical trainee;

457.25 (3) mental health practitioner;

457.26 (4) mental health certified family peer specialist; or

457.27 (5) mental health certified peer specialist.

457.28 (b) When crisis assessment and intervention services are provided to a recipient in the
457.29 community, a mental health professional, clinical trainee, or mental health practitioner must
457.30 lead the response.

458.1 (c) The 30 hours of ongoing training required by section 245I.05, subdivision 4, paragraph
 458.2 (b), must be specific to providing crisis services to children and adults and include training
 458.3 about evidence-based practices identified by the commissioner of health to reduce the
 458.4 recipient's risk of suicide and self-injurious behavior.

458.5 (d) At least six hours of the ongoing training under paragraph (c) must be specific to
 458.6 working with families and providing crisis stabilization services to children and include the
 458.7 following topics:

458.8 (1) developmental tasks of childhood and adolescence;

458.9 (2) family relationships;

458.10 (3) child and youth engagement and motivation, including motivational interviewing;

458.11 (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and
 458.12 queer youth;

458.13 (5) positive behavior support;

458.14 (6) crisis intervention for youth with developmental disabilities;

458.15 (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral
 458.16 therapy; and

458.17 (8) youth substance use.

458.18 ~~(d)~~ (e) Team members must be experienced in crisis assessment, crisis intervention
 458.19 techniques, treatment engagement strategies, working with families, and clinical
 458.20 decision-making under emergency conditions and have knowledge of local services and
 458.21 resources.

458.22 Sec. 32. Minnesota Statutes 2022, section 256B.0624, subdivision 8, is amended to read:

458.23 Subd. 8. **Crisis stabilization staff qualifications.** (a) Mental health crisis stabilization
 458.24 services must be provided by qualified individual staff of a qualified provider entity. A staff
 458.25 member providing crisis stabilization services to a recipient must be qualified as a:

458.26 (1) mental health professional;

458.27 (2) certified rehabilitation specialist;

458.28 (3) clinical trainee;

458.29 (4) mental health practitioner;

458.30 (5) mental health certified family peer specialist;

459.1 (6) mental health certified peer specialist; or

459.2 (7) mental health rehabilitation worker.

459.3 (b) The 30 hours of ongoing training required in section 245I.05, subdivision 4, paragraph
459.4 (b), must be specific to providing crisis services to children and adults and include training
459.5 about evidence-based practices identified by the commissioner of health to reduce a recipient's
459.6 risk of suicide and self-injurious behavior.

459.7 (c) For providers who deliver care to children 21 years of age and younger, at least six
459.8 hours of the ongoing training under this subdivision must be specific to working with families
459.9 and providing crisis stabilization services to children and include the following topics:

459.10 (1) developmental tasks of childhood and adolescence;

459.11 (2) family relationships;

459.12 (3) child and youth engagement and motivation, including motivational interviewing;

459.13 (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and
459.14 queer youth;

459.15 (5) positive behavior support;

459.16 (6) crisis intervention for youth with developmental disabilities;

459.17 (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral
459.18 therapy; and

459.19 (8) youth substance use.

459.20 This paragraph does not apply to adult residential crisis stabilization service providers
459.21 licensed according to section 245I.23.

459.22 Sec. 33. Minnesota Statutes 2022, section 256B.0757, subdivision 4c, is amended to read:

459.23 Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health
459.24 home services provider must maintain staff with required professional qualifications
459.25 appropriate to the setting.

459.26 (b) If behavioral health home services are offered in a mental health setting, the
459.27 integration specialist must be a ~~registered~~ licensed nurse ~~licensed under the Minnesota Nurse~~
459.28 ~~Practice Act, sections 148.171 to 148.285,~~ as defined in section 148.171, subdivision 9.

460.1 (c) If behavioral health home services are offered in a primary care setting, the integration
460.2 specialist must be a mental health professional who is qualified according to section 245I.04,
460.3 subdivision 2.

460.4 (d) If behavioral health home services are offered in either a primary care setting or
460.5 mental health setting, the systems navigator must be a mental health practitioner who is
460.6 qualified according to section 245I.04, subdivision 4, or a community health worker as
460.7 defined in section 256B.0625, subdivision 49.

460.8 (e) If behavioral health home services are offered in either a primary care setting or
460.9 mental health setting, the qualified health home specialist must be one of the following:

460.10 (1) a mental health certified peer specialist who is qualified according to section 245I.04,
460.11 subdivision 10;

460.12 (2) a mental health certified family peer specialist who is qualified according to section
460.13 245I.04, subdivision 12;

460.14 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
460.15 (g), or 245.4871, subdivision 4, paragraph (j);

460.16 (4) a mental health rehabilitation worker who is qualified according to section 245I.04,
460.17 subdivision 14;

460.18 (5) a community paramedic as defined in section 144E.28, subdivision 9;

460.19 (6) a peer recovery specialist as defined in section 245G.07, subdivision 1, clause (5);

460.20 or

460.21 (7) a community health worker as defined in section 256B.0625, subdivision 49.

460.22 Sec. 34. Minnesota Statutes 2022, section 256B.0941, subdivision 2a, is amended to read:

460.23 Subd. 2a. **Sleeping hours.** During normal sleeping hours, a psychiatric residential
460.24 treatment facility provider must provide at least one staff person for every six residents
460.25 present within a living unit. A provider must adjust sleeping-hour staffing levels based on
460.26 the clinical needs of the residents in the facility. Sleeping hours must include at least one
460.27 staff trained and certified to provide emergency medical response. During normal sleeping
460.28 hours, a registered nurse must be available on call to assess a child's needs and must be
460.29 available within 60 minutes.

461.1 Sec. 35. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision
461.2 to read:

461.3 Subd. 2b. **Shared site.** Related services that have a bright-line separation from psychiatric
461.4 residential treatment facility service operations may be delivered in the same facility,
461.5 including under the same structural roof. In shared site settings, staff must provide services
461.6 only to programs they are affiliated to through NETStudy 2.0.

461.7 Sec. 36. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision
461.8 to read:

461.9 Subd. 5. **Start-up and capacity-building grants.** (a) The commissioner shall establish
461.10 start-up and capacity-building grants for psychiatric residential treatment facility sites.
461.11 Start-up grants to prospective psychiatric residential treatment facility sites may be used
461.12 for:

461.13 (1) administrative expenses;

461.14 (2) consulting services;

461.15 (3) Health Insurance Portability and Accountability Act of 1996 compliance;

461.16 (4) therapeutic resources, including evidence-based, culturally appropriate curriculums
461.17 and training programs for staff and clients;

461.18 (5) allowable physical renovations to the property; and

461.19 (6) emergency workforce shortage uses, as determined by the commissioner.

461.20 (b) Start-up and capacity-building grants to prospective and current psychiatric residential
461.21 treatment facilities may be used to support providers who treat and accept individuals with
461.22 complex support needs, including but not limited to:

461.23 (1) neurocognitive disorders;

461.24 (2) co-occurring intellectual developmental disabilities;

461.25 (3) schizophrenia spectrum disorders;

461.26 (4) manifested or labeled aggressive behaviors; and

461.27 (5) manifested sexually inappropriate behaviors.

461.28 **EFFECTIVE DATE.** This section is effective July 1, 2023.

462.1 Sec. 37. Minnesota Statutes 2022, section 256B.0946, subdivision 4, is amended to read:

462.2 Subd. 4. **Service delivery payment requirements.** (a) To be eligible for payment under
462.3 this section, a provider must develop and practice written policies and procedures for
462.4 children's intensive behavioral health services, consistent with subdivision 1, paragraph (b),
462.5 and comply with the following requirements in paragraphs (b) to (n).

462.6 (b) Each previous and current mental health, school, and physical health treatment
462.7 provider must be contacted to request documentation of treatment and assessments that the
462.8 eligible client has received. This information must be reviewed and incorporated into the
462.9 standard diagnostic assessment and team consultation and treatment planning review process.

462.10 (c) Each client receiving treatment must be assessed for a trauma history, and the client's
462.11 treatment plan must document how the results of the assessment will be incorporated into
462.12 treatment.

462.13 (d) The level of care assessment as defined in section 245I.02, subdivision 19, and
462.14 functional assessment as defined in section 245I.02, subdivision 17, must be updated at
462.15 least every ~~90~~ 180 days or prior to discharge from the service, whichever comes first.

462.16 (e) Each client receiving treatment services must have an individual treatment plan that
462.17 is reviewed, evaluated, and approved every ~~90~~ 180 days using the team consultation and
462.18 treatment planning process.

462.19 (f) Clinical care consultation must be provided in accordance with the client's individual
462.20 treatment plan.

462.21 (g) Each client must have a crisis plan within ten days of initiating services and must
462.22 have access to clinical phone support 24 hours per day, seven days per week, during the
462.23 course of treatment. The crisis plan must demonstrate coordination with the local or regional
462.24 mobile crisis intervention team.

462.25 (h) Services must be delivered and documented at least three days per week, equaling
462.26 at least six hours of treatment per week. If the mental health professional, client, and family
462.27 agree, service units may be temporarily reduced for a period of no more than 60 days in
462.28 order to meet the needs of the client and family, or as part of transition or on a discharge
462.29 plan to another service or level of care. The reasons for service reduction must be identified,
462.30 documented, and included in the treatment plan. Billing and payment are prohibited for
462.31 days on which no services are delivered and documented.

462.32 (i) Location of service delivery must be in the client's home, day care setting, school, or
462.33 other community-based setting that is specified on the client's individualized treatment plan.

463.1 (j) Treatment must be developmentally and culturally appropriate for the client.

463.2 (k) Services must be delivered in continual collaboration and consultation with the
 463.3 client's medical providers and, in particular, with prescribers of psychotropic medications,
 463.4 including those prescribed on an off-label basis. Members of the service team must be aware
 463.5 of the medication regimen and potential side effects.

463.6 (l) Parents, siblings, foster parents, legal guardians, and members of the child's
 463.7 permanency plan must be involved in treatment and service delivery unless otherwise noted
 463.8 in the treatment plan.

463.9 (m) Transition planning for the child must be conducted starting with the first treatment
 463.10 plan and must be addressed throughout treatment to support the child's permanency plan
 463.11 and postdischarge mental health service needs.

463.12 (n) In order for a provider to receive the daily per-client encounter rate, at least one of
 463.13 the services listed in subdivision 1, paragraph (b), clauses (1) to (3), must be provided. The
 463.14 services listed in subdivision 1, paragraph (b), clauses (4) and (5), may be included as part
 463.15 of the daily per-client encounter rate.

463.16 **Sec. 38. DIRECTION TO COMMISSIONER; CHANGES TO RESIDENTIAL**
 463.17 **ADULT MENTAL HEALTH PROGRAM LICENSING REQUIREMENTS.**

463.18 (a) The commissioner of human services must consult with stakeholders to determine
 463.19 the changes to residential adult mental health program licensing requirements in Minnesota
 463.20 Rules, parts 9520.0500 to 9520.0670, necessary to:

463.21 (1) update requirements for category I programs to align with current mental health
 463.22 practices, client rights for similar services, and health and safety needs of clients receiving
 463.23 services;

463.24 (2) remove category II classification and requirements; and

463.25 (3) add licensing requirements to the rule for the Forensic Mental Health Program.

463.26 (b) The commissioner must use existing authority in Minnesota Statutes, chapter 245A,
 463.27 to amend Minnesota Rules, parts 9520.0500 to 9520.0670, based on the stakeholder
 463.28 consultation in paragraph (a) and additional changes as determined by the commissioner.

463.29 **Sec. 39. LOCAL AGENCY SUBSTANCE USE DISORDER ALLOCATION.**

463.30 The commissioner of human services shall evaluate the ongoing need for local agency
 463.31 substance use disorder allocations under Minnesota Statutes, section 254B.02. The evaluation

464.1 must include recommendations on whether local agency allocations should continue, and
464.2 if so, must recommend what the purpose of the allocations should be and propose an updated
464.3 allocation methodology that aligns with the purpose and person-centered outcomes for
464.4 people experiencing substance use disorders and behavioral health conditions. The
464.5 commissioner may contract with a vendor to support this evaluation through research and
464.6 actuarial analysis.

464.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

464.8 Sec. 40. **RATE INCREASE FOR MENTAL HEALTH ADULT DAY TREATMENT.**

464.9 The commissioner of human services must increase the reimbursement rate for adult
464.10 day treatment under Minnesota Statutes, section 256B.0671, subdivision 3, by 50 percent
464.11 over the reimbursement rate in effect as of June 30, 2023.

464.12 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
464.13 whichever is later. The commissioner of human services shall notify the revisor of statutes
464.14 when federal approval is obtained.

464.15 Sec. 41. **ROOM AND BOARD COSTS IN CHILDREN'S RESIDENTIAL**
464.16 **FACILITIES.**

464.17 The commissioner of human services must update the behavioral health fund room and
464.18 board rate schedule to include services provided under Minnesota Statutes, section 245.4882,
464.19 for individuals who do not have a placement under Minnesota Statutes, chapter 260C or
464.20 260D. The commissioner must establish room and board rates commensurate with current
464.21 room and board rates for adolescent programs licensed under Minnesota Statutes, section
464.22 245G.18.

464.23 **EFFECTIVE DATE.** This section is effective July 1, 2023.

464.24 Sec. 42. **SCHOOL-LINKED BEHAVIORAL HEALTH GRANT CONTRACT**
464.25 **DATES.**

464.26 (a) The commissioner of human services shall ensure that contracts executed during
464.27 fiscal year 2024 with school-linked behavioral health grantees have a start date retroactive
464.28 to July 1, 2023, to provide consistency in services and payments for services. Any such
464.29 contracts executed after July 1, 2023, and any payments made subject to such contracts
464.30 shall not be considered to violate Minnesota Statutes, section 16A.15, 16B.98, or 16C.05.

464.31 (b) This section expires on July 1, 2024.

465.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

465.2 **ARTICLE 10**

465.3 **ECONOMIC ASSISTANCE**

465.4 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 3, is amended to read:

465.5 Subd. 3. **Application.** "Application" means the submission to a county agency, by or
465.6 on behalf of a family, of a completed, signed, and dated:

465.7 (1) child care assistance universal application form; or

465.8 (2) child care addendum form in combination with a combined application form for
465.9 MFIP, ~~DWP~~, or Supplemental Nutrition Assistance Program (SNAP) benefits.

465.10 **EFFECTIVE DATE.** This section is effective March 1, 2026.

465.11 Sec. 2. Minnesota Statutes 2022, section 119B.011, subdivision 15, is amended to read:

465.12 Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01,
465.13 subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public
465.14 assistance cash benefits, including the Minnesota family investment program, ~~diversionary~~
465.15 ~~work program~~, work benefit, Minnesota supplemental aid, general assistance, refugee cash
465.16 assistance, at-home infant child care subsidy payments, and child support and maintenance
465.17 distributed to the family under section 256.741, subdivision 2a.

465.18 The following are deducted from income: funds used to pay for health insurance
465.19 premiums for family members, and child or spousal support paid to or on behalf of a person
465.20 or persons who live outside of the household. Income sources not included in this subdivision
465.21 and section 256P.06, subdivision 3, are not counted as income.

465.22 **EFFECTIVE DATE.** This section is effective March 1, 2026.

465.23 Sec. 3. Minnesota Statutes 2022, section 119B.02, subdivision 4, is amended to read:

465.24 Subd. 4. **Universal application form.** The commissioner must develop and make
465.25 available to all counties a universal application form for child care assistance under this
465.26 chapter. The commissioner may develop and make available to all counties a child care
465.27 addendum form to be used to supplement the combined application form for MFIP, ~~DWP~~,
465.28 or Supplemental Nutrition Assistance Program (SNAP) benefits or to supplement other
465.29 statewide application forms for public assistance programs for families applying for one of

466.1 these programs in addition to child care assistance. The application must provide notice of
466.2 eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

466.3 **EFFECTIVE DATE.** This section is effective March 1, 2026.

466.4 Sec. 4. Minnesota Statutes 2022, section 119B.025, subdivision 4, is amended to read:

466.5 Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility
466.6 factors according to paragraphs (b) to (g).

466.7 (b) A family is subject to the reporting requirements in section 256P.07, subdivision 6.

466.8 (c) If a family reports a change or a change is known to the agency before the family's
466.9 regularly scheduled redetermination, the county must act on the change. The commissioner
466.10 shall establish standards for verifying a change.

466.11 (d) A change in income occurs on the day the participant received the first payment
466.12 reflecting the change in income.

466.13 (e) During a family's 12-month eligibility period, if the family's income increases and
466.14 remains at or below 85 percent of the state median income, adjusted for family size, there
466.15 is no change to the family's eligibility. The county shall not request verification of the
466.16 change. The co-payment fee shall not increase during the remaining portion of the family's
466.17 12-month eligibility period.

466.18 (f) During a family's 12-month eligibility period, if the family's income increases and
466.19 exceeds 85 percent of the state median income, adjusted for family size, the family is not
466.20 eligible for child care assistance. The family must be given 15 calendar days to provide
466.21 verification of the change. If the required verification is not returned or confirms ineligibility,
466.22 the family's eligibility ends following a subsequent 15-day adverse action notice.

466.23 (g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170,
466.24 subpart 1, if an applicant or participant reports that employment ended, the agency may
466.25 accept a signed statement from the applicant or participant as verification that employment
466.26 ended.

466.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

466.28 Sec. 5. Minnesota Statutes 2022, section 119B.03, subdivision 3, is amended to read:

466.29 Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under
466.30 sections 119B.09 and 119B.10, except MFIP participants, ~~diversionary work program,~~ and
466.31 transition year families are eligible for child care assistance under the basic sliding fee

467.1 program. Families enrolled in the basic sliding fee program shall be continued until they
467.2 are no longer eligible. Child care assistance provided through the child care fund is considered
467.3 assistance to the parent.

467.4 **EFFECTIVE DATE.** This section is effective March 1, 2026.

467.5 Sec. 6. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

467.6 Subd. 4a. **Temporary reprioritization.** (a) Notwithstanding subdivision 4, priority for
467.7 child care assistance under the basic sliding fee assistance program shall be determined
467.8 according to this subdivision beginning July 1, 2021, through May 31, 2024.

467.9 (b) First priority must be given to eligible non-MFIP families who do not have a high
467.10 school diploma or commissioner of education-selected high school equivalency certification
467.11 or who need remedial and basic skill courses in order to pursue employment or to pursue
467.12 education leading to employment and who need child care assistance to participate in the
467.13 education program. This includes student parents as defined under section 119B.011,
467.14 subdivision 19b. Within this priority, the following subpriorities must be used:

467.15 (1) child care needs of minor parents;

467.16 (2) child care needs of parents under 21 years of age; and

467.17 (3) child care needs of other parents within the priority group described in this paragraph.

467.18 (c) Second priority must be given to families in which at least one parent is a veteran,
467.19 as defined under section 197.447.

467.20 (d) Third priority must be given to eligible families who do not meet the specifications
467.21 of paragraph (b), (c), (e), or (f).

467.22 (e) Fourth priority must be given to families who are eligible for portable basic sliding
467.23 fee assistance through the portability pool under subdivision 9.

467.24 (f) Fifth priority must be given to eligible families receiving services under section
467.25 119B.011, subdivision 20a, if the parents have completed their MFIP ~~or DWP~~ transition
467.26 year, ~~or if the parents are no longer receiving or eligible for DWP supports.~~

467.27 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
467.28 the date they complete their transition year under section 119B.011, subdivision 20.

467.29 **EFFECTIVE DATE.** This section is effective March 1, 2026.

468.1 Sec. 7. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

468.2 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
468.3 the MFIP child care program are:

468.4 (1) MFIP participants who are employed or in job search and meet the requirements of
468.5 section 119B.10;

468.6 (2) persons who are members of transition year families under section 119B.011,
468.7 subdivision 20, and meet the requirements of section 119B.10;

468.8 ~~(3) families who are participating in employment orientation or job search, or other~~
468.9 ~~employment or training activities that are included in an approved employability development~~
468.10 ~~plan under section 256J.95;~~

468.11 ~~(4)~~ (3) MFIP families who are participating in work job search, job support, employment,
468.12 or training activities as required in their employment plan, or in appeals, hearings,
468.13 assessments, or orientations according to chapter 256J;

468.14 ~~(5)~~ (4) MFIP families who are participating in social services activities under chapter
468.15 256J as required in their employment plan approved according to chapter 256J;

468.16 ~~(6)~~ (5) families who are participating in services or activities that are included in an
468.17 approved family stabilization plan under section 256J.575;

468.18 ~~(7)~~ (6) families who are participating in programs as required in tribal contracts under
468.19 section 119B.02, subdivision 2, or 256.01, subdivision 2;

468.20 ~~(8)~~ (7) families who are participating in the transition year extension under section
468.21 119B.011, subdivision 20a;

468.22 ~~(9)~~ (8) student parents as defined under section 119B.011, subdivision 19b; and

468.23 ~~(10)~~ (9) student parents who turn 21 years of age and who continue to meet the other
468.24 requirements under section 119B.011, subdivision 19b. A student parent continues to be
468.25 eligible until the student parent is approved for basic sliding fee child care assistance or
468.26 until the student parent's redetermination, whichever comes first. At the student parent's
468.27 redetermination, if the student parent was not approved for basic sliding fee child care
468.28 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

468.29 **EFFECTIVE DATE.** This section is effective March 1, 2026.

469.1 Sec. 8. Minnesota Statutes 2022, section 119B.09, subdivision 7, is amended to read:

469.2 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care
469.3 assistance under this chapter is the later of the date the application was received by the
469.4 county; the beginning date of employment, education, or training; the date the infant is born
469.5 for applicants to the at-home infant care program; or the date a determination has been made
469.6 that the applicant is a participant in employment and training services under Minnesota
469.7 Rules, part 3400.0080, or chapter 256J.

469.8 (b) Payment ceases for a family under the at-home infant child care program when a
469.9 family has used a total of 12 months of assistance as specified under section 119B.035.
469.10 Payment of child care assistance for employed persons on MFIP is effective the date of
469.11 employment or the date of MFIP eligibility, whichever is later. Payment of child care
469.12 assistance for MFIP ~~or DWP~~ participants in employment and training services is effective
469.13 the date of commencement of the services or the date of MFIP ~~or DWP~~ eligibility, whichever
469.14 is later. Payment of child care assistance for transition year child care must be made
469.15 retroactive to the date of eligibility for transition year child care.

469.16 (c) Notwithstanding paragraph (b), payment of child care assistance for participants
469.17 eligible under section 119B.05 may only be made retroactive for a maximum of three months
469.18 from the date of application for child care assistance.

469.19 **EFFECTIVE DATE.** This section is effective March 1, 2026.

469.20 Sec. 9. Minnesota Statutes 2022, section 119B.095, subdivision 2, is amended to read:

469.21 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
469.22 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for
469.23 employment, education, or an MFIP ~~or DWP~~ employment plan shall continue at the same
469.24 number of hours or more hours until redetermination, including:

469.25 (1) when the other parent moves in and is employed or has an education plan under
469.26 section 119B.10, subdivision 3, or has an MFIP ~~or DWP~~ employment plan; or

469.27 (2) when the participant's work hours are reduced or a participant temporarily stops
469.28 working or attending an approved education program. Temporary changes include, but are
469.29 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
469.30 semesters.

469.31 (b) The county may increase the amount of child care authorized at any time if the
469.32 participant verifies the need for increased hours for authorized activities.

470.1 (c) The county may reduce the amount of child care authorized if a parent requests a
470.2 reduction or because of a change in:

470.3 (1) the child's school schedule;

470.4 (2) the custody schedule; or

470.5 (3) the provider's availability.

470.6 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
470.7 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
470.8 apply to a family subject to subdivision 1, paragraph (b).

470.9 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
470.10 age, the amount of child care authorized shall continue at the same number of hours or more
470.11 hours until redetermination.

470.12 **EFFECTIVE DATE.** This section is effective March 1, 2026.

470.13 Sec. 10. Minnesota Statutes 2022, section 119B.095, subdivision 3, is amended to read:

470.14 Subd. 3. **Assistance for persons who are homeless.** An applicant who is homeless and
470.15 eligible for child care assistance is exempt from the activity participation requirements under
470.16 this chapter for three months. The applicant under this subdivision is eligible for 60 hours
470.17 of child care assistance per service period for three months from the date the county receives
470.18 the application. Additional hours may be authorized as needed based on the applicant's
470.19 participation in employment, education, or MFIP ~~or DWP~~ employment plan. To continue
470.20 receiving child care assistance after the initial three months, the applicant must verify that
470.21 the applicant meets eligibility and activity requirements for child care assistance under this
470.22 chapter.

470.23 **EFFECTIVE DATE.** This section is effective March 1, 2026.

470.24 Sec. 11. Minnesota Statutes 2022, section 119B.10, subdivision 1, is amended to read:

470.25 Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons
470.26 who are seeking employment and who are eligible for assistance under this section are
470.27 eligible to receive up to 240 hours of child care assistance per calendar year.

470.28 (b) At application and redetermination, employed persons who work at least an average
470.29 of 20 hours and full-time students who work at least an average of ten hours a week and
470.30 receive at least a minimum wage for all hours worked are eligible for child care assistance
470.31 for employment. For purposes of this section, work-study programs must be counted as

471.1 employment. An employed person with an MFIP ~~or DWP~~ employment plan shall receive
471.2 child care assistance as specified in the person's employment plan. Child care assistance
471.3 during employment must be authorized as provided in paragraphs (c) and (d).

471.4 (c) When the person works for an hourly wage and the hourly wage is equal to or greater
471.5 than the applicable minimum wage, child care assistance shall be provided for the hours of
471.6 employment, break, and mealtime during the employment and travel time up to two hours
471.7 per day.

471.8 (d) When the person does not work for an hourly wage, child care assistance must be
471.9 provided for the lesser of:

471.10 (1) the amount of child care determined by dividing gross earned income by the applicable
471.11 minimum wage, up to one hour every eight hours for meals and break time, plus up to two
471.12 hours per day for travel time; or

471.13 (2) the amount of child care equal to the actual amount of child care used during
471.14 employment, including break and mealtime during employment, and travel time up to two
471.15 hours per day.

471.16 **EFFECTIVE DATE.** This section is effective March 1, 2026.

471.17 Sec. 12. Minnesota Statutes 2022, section 119B.10, subdivision 3, is amended to read:

471.18 Subd. 3. **Assistance for persons attending an approved education or training**
471.19 **program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3,
471.20 and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county
471.21 shall not limit the duration of child care subsidies for a person in an employment or
471.22 educational program unless the person is ineligible for child care funds. Any other limitation
471.23 must be based on county policies included in the approved child care fund plan.

471.24 (b) To be eligible, the student must be in good standing and be making satisfactory
471.25 progress toward the degree. The maximum length of time a student is eligible for child care
471.26 assistance under the child care fund for education and training is no more than the time
471.27 necessary to complete the credit requirements for an associate's or baccalaureate degree as
471.28 determined by the educational institution. Time limitations for child care assistance do not
471.29 apply to basic or remedial educational programs needed for postsecondary education or
471.30 employment. Basic or remedial educational programs include high school, commissioner
471.31 of education-selected high school equivalency, and English as a second language programs.
471.32 A program exempt from this time limit must not run concurrently with a postsecondary
471.33 program.

472.1 (c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must
472.2 be authorized for all hours of class time and credit hours, including independent study and
472.3 internships, and up to two hours of travel time per day. A postsecondary student shall receive
472.4 four hours of child care assistance per credit hour for study time and academic appointments
472.5 per service period.

472.6 (d) For an MFIP ~~or DWP~~ participant, child care assistance must be authorized according
472.7 to the person's approved employment plan. If an MFIP ~~or DWP~~ participant receiving MFIP
472.8 ~~or DWP~~ child care assistance under this chapter moves to another county, continues to
472.9 participate in an authorized educational or training program, and remains eligible for MFIP
472.10 ~~or DWP~~ child care assistance, the participant must receive continued child care assistance
472.11 from the county responsible for the person's current employment plan under section 256G.07.

472.12 (e) If a person with an approved education program under section 119B.03, subdivision
472.13 3, or 119B.05, subdivision 1, begins receiving MFIP ~~or DWP~~ assistance, the person continues
472.14 to receive child care assistance for the approved education program until the person's
472.15 education is included in an approved MFIP ~~or DWP~~ employment plan or until
472.16 redetermination, whichever occurs first.

472.17 (f) If a person's MFIP ~~or DWP~~ assistance ends and the approved MFIP ~~or DWP~~
472.18 employment plan included education, the person continues to be eligible for child care
472.19 assistance for education under transition year child care assistance until the person's education
472.20 is included in an approved education plan or until redetermination.

472.21 **EFFECTIVE DATE.** This section is effective March 1, 2026.

472.22 Sec. 13. Minnesota Statutes 2022, section 119B.105, subdivision 2, is amended to read:

472.23 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
472.24 months of extended eligibility and redetermination is not due, to continue receiving child
472.25 care assistance the participant must be employed or have an education plan that meets the
472.26 requirements of section 119B.10, subdivision 3, or have an MFIP ~~or DWP~~ employment
472.27 plan. If child care assistance continues, the amount of child care authorized shall continue
472.28 at the same number or more hours until redetermination, unless a condition in section
472.29 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095,
472.30 subdivision 1, paragraph (b), shall have child care authorized based on a verified activity
472.31 schedule.

472.32 (b) If the family's redetermination occurs before the end of the three-month extended
472.33 eligibility period to continue receiving child care assistance, the participant must verify that

473.1 the participant meets eligibility and activity requirements for child care assistance under
 473.2 this chapter. If child care assistance continues, the amount of child care authorized is based
 473.3 on section 119B.10. A family subject to section 119B.095, subdivision 1, paragraph (b),
 473.4 shall have child care authorized based on a verified activity schedule.

473.5 **EFFECTIVE DATE.** This section is effective March 1, 2026.

473.6 Sec. 14. Minnesota Statutes 2022, section 168B.07, subdivision 3, is amended to read:

473.7 Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

473.8 (1) "contents" does not include any permanently affixed mechanical or nonmechanical
 473.9 automobile parts; automobile body parts; or automobile accessories, including audio or
 473.10 video players; and

473.11 (2) "relief based on need" includes, but is not limited to, receipt of MFIP ~~and Diversionary~~
 473.12 ~~Work Program~~, medical assistance, general assistance, emergency general assistance,
 473.13 Minnesota supplemental aid, MSA-emergency assistance, MinnesotaCare, Supplemental
 473.14 Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance
 473.15 Program (SNAP) benefits, earned income tax credit, or Minnesota working family tax credit.

473.16 (b) A unit of government or impound lot operator shall establish reasonable procedures
 473.17 for retrieval of vehicle contents, and may establish reasonable procedures to protect the
 473.18 safety and security of the impound lot and its personnel.

473.19 (c) At any time before the expiration of the waiting periods provided in section 168B.051,
 473.20 a registered owner who provides documentation from a government or nonprofit agency or
 473.21 legal aid office that the registered owner is homeless, receives relief based on need, or is
 473.22 eligible for legal aid services, has the unencumbered right to retrieve any and all contents
 473.23 without charge and regardless of whether the registered owner pays incurred charges or
 473.24 fees, transfers title, or reclaims the vehicle.

473.25 **EFFECTIVE DATE.** This section is effective March 1, 2026.

473.26 Sec. 15. Minnesota Statutes 2022, section 256.046, subdivision 1, is amended to read:

473.27 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
 473.28 disqualification hearing for individuals accused of wrongfully obtaining assistance or
 473.29 intentional program violations, in lieu of a criminal action when it has not been pursued, in
 473.30 the Minnesota family investment program and any affiliated program to include ~~the~~
 473.31 ~~diversionary work program and the work participation cash benefit program~~, child care
 473.32 assistance programs, general assistance, family general assistance program formerly codified

474.1 in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid, the Supplemental
474.2 Nutrition Assistance Program (SNAP), MinnesotaCare for adults without children, and
474.3 upon federal approval, all categories of medical assistance and remaining categories of
474.4 MinnesotaCare except for children through age 18. The Department of Human Services, in
474.5 lieu of a local agency, may initiate an administrative fraud disqualification hearing when
474.6 the state agency is directly responsible for administration or investigation of the program
474.7 for which benefits were wrongfully obtained. The hearing is subject to the requirements of
474.8 sections 256.045 and 256.0451 and the requirements in Code of Federal Regulations, title
474.9 7, section 273.16.

474.10 **EFFECTIVE DATE.** This section is effective March 1, 2026, and applies to acts of
474.11 wrongfully obtaining assistance and intentional program violations that occur on or after
474.12 that date.

474.13 Sec. 16. Minnesota Statutes 2022, section 256.98, subdivision 8, is amended to read:

474.14 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
474.15 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
474.16 determination, or waiver thereof, through a disqualification consent agreement, or as part
474.17 of any approved diversion plan under section 401.065, or any court-ordered stay which
474.18 carries with it any probationary or other conditions, in the Minnesota family investment
474.19 program and any affiliated program to include ~~the diversionary work program and the work~~
474.20 participation cash benefit program, the Supplemental Nutrition Assistance Program (SNAP),
474.21 the general assistance program, housing support under chapter 256I, or the Minnesota
474.22 supplemental aid program shall be disqualified from that program. In addition, any person
474.23 disqualified from the Minnesota family investment program shall also be disqualified from
474.24 SNAP. The needs of that individual shall not be taken into consideration in determining the
474.25 grant level for that assistance unit:

474.26 (1) for one year after the first offense;

474.27 (2) for two years after the second offense; and

474.28 (3) permanently after the third or subsequent offense.

474.29 The period of program disqualification shall begin on the date stipulated on the advance
474.30 notice of disqualification without possibility of postponement for administrative stay or
474.31 administrative hearing and shall continue through completion unless and until the findings
474.32 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.
474.33 The period for which sanctions are imposed is not subject to review. The sanctions provided

475.1 under this subdivision are in addition to, and not in substitution for, any other sanctions that
475.2 may be provided for by law for the offense involved. A disqualification established through
475.3 hearing or waiver shall result in the disqualification period beginning immediately unless
475.4 the person has become otherwise ineligible for assistance. If the person is ineligible for
475.5 assistance, the disqualification period begins when the person again meets the eligibility
475.6 criteria of the program from which they were disqualified and makes application for that
475.7 program.

475.8 (b) A family receiving assistance through child care assistance programs under chapter
475.9 119B with a family member who is found to be guilty of wrongfully obtaining child care
475.10 assistance by a federal court, state court, or an administrative hearing determination or
475.11 waiver, through a disqualification consent agreement, as part of an approved diversion plan
475.12 under section 401.065, or a court-ordered stay with probationary or other conditions, is
475.13 disqualified from child care assistance programs. The disqualifications must be for periods
475.14 of one year and two years for the first and second offenses, respectively. Subsequent
475.15 violations must result in permanent disqualification. During the disqualification period,
475.16 disqualification from any child care program must extend to all child care programs and
475.17 must be immediately applied.

475.18 (c) A provider caring for children receiving assistance through child care assistance
475.19 programs under chapter 119B is disqualified from receiving payment for child care services
475.20 from the child care assistance program under chapter 119B when the provider is found to
475.21 have wrongfully obtained child care assistance by a federal court, state court, or an
475.22 administrative hearing determination or waiver under section 256.046, through a
475.23 disqualification consent agreement, as part of an approved diversion plan under section
475.24 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
475.25 must be for a period of three years for the first offense. Any subsequent violation must result
475.26 in permanent disqualification. The disqualification period must be imposed immediately
475.27 after a determination is made under this paragraph. During the disqualification period, the
475.28 provider is disqualified from receiving payment from any child care program under chapter
475.29 119B.

475.30 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
475.31 without children and upon federal approval, all categories of medical assistance and
475.32 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
475.33 state court or by an administrative hearing determination, or waiver thereof, through a
475.34 disqualification consent agreement, or as part of any approved diversion plan under section
475.35 401.065, or any court-ordered stay which carries with it any probationary or other conditions,

476.1 is disqualified from that program. The period of disqualification is one year after the first
476.2 offense, two years after the second offense, and permanently after the third or subsequent
476.3 offense. The period of program disqualification shall begin on the date stipulated on the
476.4 advance notice of disqualification without possibility of postponement for administrative
476.5 stay or administrative hearing and shall continue through completion unless and until the
476.6 findings upon which the sanctions were imposed are reversed by a court of competent
476.7 jurisdiction. The period for which sanctions are imposed is not subject to review. The
476.8 sanctions provided under this subdivision are in addition to, and not in substitution for, any
476.9 other sanctions that may be provided for by law for the offense involved.

476.10 **EFFECTIVE DATE.** This section is effective March 1, 2026, and applies to acts of
476.11 wrongfully obtaining assistance that occur on or after that date.

476.12 Sec. 17. Minnesota Statutes 2022, section 256.987, subdivision 4, is amended to read:

476.13 Subd. 4. **Disqualification.** (a) Any person found to be guilty of purchasing tobacco
476.14 products or alcoholic beverages with their EBT debit card by a federal or state court or by
476.15 an administrative hearing determination, or waiver thereof, through a disqualification consent
476.16 agreement, or as part of any approved diversion plan under section 401.065, or any
476.17 court-ordered stay which carries with it any probationary or other conditions, in the: (1)
476.18 Minnesota family investment program and any affiliated program to include ~~the diversionary~~
476.19 ~~work program~~ and the work participation cash benefit program under chapter 256J; (2)
476.20 general assistance program under chapter 256D; or (3) Minnesota supplemental aid program
476.21 under chapter 256D, shall be disqualified from all of the listed programs.

476.22 (b) The needs of the disqualified individual shall not be taken into consideration in
476.23 determining the grant level for that assistance unit: (1) for one year after the first offense;
476.24 (2) for two years after the second offense; and (3) permanently after the third or subsequent
476.25 offense.

476.26 (c) The period of program disqualification shall begin on the date stipulated on the
476.27 advance notice of disqualification without possibility for postponement for administrative
476.28 stay or administrative hearing and shall continue through completion unless and until the
476.29 findings upon which the sanctions were imposed are reversed by a court of competent
476.30 jurisdiction. The period for which sanctions are imposed is not subject to review.

476.31 **EFFECTIVE DATE.** This section is effective March 1, 2026, and applies to purchases
476.32 made on or after that date.

477.1 Sec. 18. Minnesota Statutes 2022, section 256D.01, subdivision 1a, is amended to read:

477.2 Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to
477.3 provide for single adults, childless couples, or children as defined in section 256D.02,
477.4 subdivision 6, ineligible for federal programs who are unable to provide for themselves.
477.5 The minimum standard of assistance determines the total amount of the general assistance
477.6 grant without separate standards for shelter, utilities, or other needs.

477.7 (b) ~~The commissioner shall set the standard of assistance for an assistance unit consisting~~
477.8 ~~of an adult a recipient who is childless and unmarried or living apart from children and~~
477.9 ~~spouse and who does not live with a parent or parents or a legal custodian, or consisting of~~
477.10 ~~a childless couple, is \$350 per month effective October 1, 2024, and must be adjusted by a~~
477.11 ~~percentage equal to the change in the consumer price index as of January 1 every year,~~
477.12 ~~beginning October 1, 2025. When the other standards specified in this subdivision increase,~~
477.13 ~~this standard must also be increased by the same percentage.~~

477.14 (c) For an assistance unit consisting of a single adult who lives with a parent or parents,
477.15 the general assistance standard of assistance is ~~the amount that the aid to families with~~
477.16 ~~dependent children standard of assistance, in effect on July 16, 1996, would increase if the~~
477.17 ~~recipient were added as an additional minor child to an assistance unit consisting of the~~
477.18 ~~recipient's parent and all of that parent's family members, except that the standard may not~~
477.19 ~~exceed the standard for a general assistance recipient living alone \$350 per month effective~~
477.20 ~~October 1, 2023, and must be adjusted by a percentage equal to the change in the consumer~~
477.21 ~~price index as of January 1 every year, beginning October 1, 2025.~~ Benefits received by a
477.22 responsible relative of the assistance unit under the Supplemental Security Income program,
477.23 a workers' compensation program, the Minnesota supplemental aid program, or any other
477.24 program based on the responsible relative's disability, and any benefits received by a
477.25 responsible relative of the assistance unit under the Social Security retirement program,
477.26 may not be counted in the determination of eligibility or benefit level for the assistance unit.
477.27 Except as provided below, the assistance unit is ineligible for general assistance if the
477.28 available resources or the countable income of the assistance unit and the parent or parents
477.29 with whom the assistance unit lives are such that a family consisting of the assistance unit's
477.30 parent or parents, the parent or parents' other family members and the assistance unit as the
477.31 only or additional minor child would be financially ineligible for general assistance. For
477.32 the purposes of calculating the countable income of the assistance unit's parent or parents,
477.33 the calculation methods must follow the provisions under section 256P.06.

477.34 (d) ~~For an assistance unit consisting of a childless couple, the standards of assistance~~
477.35 ~~are the same as the first and second adult standards of the aid to families with dependent~~

478.1 ~~children program in effect on July 16, 1996. If one member of the couple is not included in~~
 478.2 ~~the general assistance grant, the standard of assistance for the other is the second adult~~
 478.3 ~~standard of the aid to families with dependent children program as of July 16, 1996.~~

478.4 **EFFECTIVE DATE.** This section is effective October 1, 2024.

478.5 Sec. 19. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

478.6 Subdivision 1. **Person convicted of drug offenses.** (a) ~~If An applicant or recipient~~
 478.7 ~~individual who has been convicted of a felony-level drug offense after July 1, 1997, the~~
 478.8 ~~assistance unit is ineligible for benefits under this chapter until five years after the applicant~~
 478.9 ~~has completed terms of the court-ordered sentence, unless the person is participating in a~~
 478.10 ~~drug treatment program, has successfully completed a drug treatment program, or has been~~
 478.11 ~~assessed by the county and determined not to be in need of a drug treatment program. Persons~~
 478.12 ~~subject to the limitations of this subdivision who become eligible for assistance under this~~
 478.13 ~~chapter shall~~ during the previous ten years from the date of application or recertification
 478.14 may be subject to random drug testing as a condition of continued eligibility and shall lose
 478.15 eligibility for benefits for five years beginning the month following. The county must
 478.16 provide information about substance use disorder treatment programs to a person who tests
 478.17 positive for an illegal controlled substance.

478.18 ~~(1) Any positive test result for an illegal controlled substance; or~~

478.19 ~~(2) discharge of sentence after conviction for another drug felony.~~

478.20 (b) For the purposes of this subdivision, "drug offense" means a conviction that occurred
 478.21 ~~after July 1, 1997,~~ during the previous ten years from the date of application or recertification
 478.22 of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means
 478.23 a conviction in another jurisdiction of the possession, use, or distribution of a controlled
 478.24 substance, or conspiracy to commit any of these offenses, if the ~~offense~~ conviction occurred
 478.25 ~~after July 1, 1997,~~ during the previous ten years from the date of application or recertification
 478.26 and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a
 478.27 high misdemeanor.

478.28 **EFFECTIVE DATE.** This section is effective August 1, 2023.

478.29 Sec. 20. Minnesota Statutes 2022, section 256D.03, is amended by adding a subdivision
 478.30 to read:

478.31 Subd. 2b. **Budgeting and reporting.** Every county agency shall determine eligibility
 478.32 and calculate benefit amounts for general assistance according to chapter 256P.

479.1 **EFFECTIVE DATE.** This section is effective March 1, 2025.

479.2 Sec. 21. Minnesota Statutes 2022, section 256D.06, subdivision 5, is amended to read:

479.3 Subd. 5. **Eligibility; requirements.** (a) Any applicant, otherwise eligible for general
479.4 assistance and possibly eligible for maintenance benefits from any other source shall (1)
479.5 make application for those benefits within ~~30~~ 90 days of the general assistance application;
479.6 and (2) execute an interim assistance agreement on a form as directed by the commissioner.

479.7 (b) The commissioner shall review a denial of an application for other maintenance
479.8 benefits and may require a recipient of general assistance to file an appeal of the denial if
479.9 appropriate. If found eligible for benefits from other sources, and a payment received from
479.10 another source relates to the period during which general assistance was also being received,
479.11 the recipient shall be required to reimburse the county agency for the interim assistance
479.12 paid. Reimbursement shall not exceed the amount of general assistance paid during the time
479.13 period to which the other maintenance benefits apply and shall not exceed the state standard
479.14 applicable to that time period.

479.15 (c) The commissioner may contract with the county agencies, qualified agencies,
479.16 organizations, or persons to provide advocacy and support services to process claims for
479.17 federal disability benefits for applicants or recipients of services or benefits supervised by
479.18 the commissioner using money retained under this section.

479.19 (d) The commissioner may provide methods by which county agencies shall identify,
479.20 refer, and assist recipients who may be eligible for benefits under federal programs for
479.21 people with a disability.

479.22 (e) The total amount of interim assistance recoveries retained under this section for
479.23 advocacy, support, and claim processing services shall not exceed 35 percent of the interim
479.24 assistance recoveries in the prior fiscal year.

479.25 **EFFECTIVE DATE.** This section is effective August 1, 2023.

479.26 Sec. 22. Minnesota Statutes 2022, section 256D.44, subdivision 5, is amended to read:

479.27 Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established
479.28 in subdivisions 1 to 4, payments are allowed for the following special needs of recipients
479.29 of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
479.30 center, or a setting authorized to receive housing support payments under chapter 256I.

479.31 (b) The county agency shall pay a monthly allowance for medically prescribed diets if
479.32 the cost of those additional dietary needs cannot be met through some other maintenance

480.1 benefit. The need for special diets or dietary items must be prescribed by a licensed physician,
480.2 advanced practice registered nurse, or physician assistant. Costs for special diets shall be
480.3 determined as percentages of the allotment for a one-person household under the thrifty
480.4 food plan as defined by the United States Department of Agriculture. The types of diets and
480.5 the percentages of the thrifty food plan that are covered are as follows:

480.6 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

480.7 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of
480.8 thrifty food plan;

480.9 (3) controlled protein diet, less than 40 grams and requires special products, 125 percent
480.10 of thrifty food plan;

480.11 (4) low cholesterol diet, 25 percent of thrifty food plan;

480.12 (5) high residue diet, 20 percent of thrifty food plan;

480.13 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

480.14 (7) gluten-free diet, 25 percent of thrifty food plan;

480.15 (8) lactose-free diet, 25 percent of thrifty food plan;

480.16 (9) antidumping diet, 15 percent of thrifty food plan;

480.17 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

480.18 (11) ketogenic diet, 25 percent of thrifty food plan.

480.19 (c) Payment for nonrecurring special needs must be allowed for necessary home repairs
480.20 or necessary repairs or replacement of household furniture and appliances using the payment
480.21 standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as
480.22 other funding sources are not available.

480.23 (d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated
480.24 by the county or approved by the court. This rate shall not exceed five percent of the
480.25 assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian
480.26 or conservator is a member of the county agency staff, no fee is allowed.

480.27 (e) The county agency shall continue to pay a monthly allowance of \$68 for restaurant
480.28 meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and
480.29 who eats two or more meals in a restaurant daily. The allowance must continue until the
480.30 person has not received Minnesota supplemental aid for one full calendar month or until

481.1 the person's living arrangement changes and the person no longer meets the criteria for the
481.2 restaurant meal allowance, whichever occurs first.

481.3 (f) ~~A fee of ten percent of the recipient's gross income or \$25, whichever is less, equal~~
481.4 to the maximum monthly amount allowed by the Social Security Administration is allowed
481.5 for representative payee services provided by an agency that meets the requirements under
481.6 SSI regulations to charge a fee for representative payee services. This special need is available
481.7 to all recipients of Minnesota supplemental aid regardless of their living arrangement.

481.8 (g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of
481.9 the maximum federal Supplemental Security Income payment amount for a single individual
481.10 which is in effect on the first day of July of each year will be added to the standards of
481.11 assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as
481.12 in need of housing assistance and are:

481.13 (i) relocating from an institution, a setting authorized to receive housing support under
481.14 chapter 256I, or an adult mental health residential treatment program under section
481.15 256B.0622;

481.16 (ii) eligible for personal care assistance under section 256B.0659; or

481.17 (iii) home and community-based waiver recipients living in their own home or rented
481.18 or leased apartment.

481.19 (2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter
481.20 needy benefit under this paragraph is considered a household of one. An eligible individual
481.21 who receives this benefit prior to age 65 may continue to receive the benefit after the age
481.22 of 65.

481.23 (3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that
481.24 exceed 40 percent of the assistance unit's gross income before the application of this special
481.25 needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's
481.26 income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision
481.27 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy,
481.28 that limits shelter costs to a percentage of gross income, shall not be considered in need of
481.29 housing assistance for purposes of this paragraph.

481.30 **EFFECTIVE DATE.** This section is effective January 1, 2024.

482.1 Sec. 23. Minnesota Statutes 2022, section 256D.63, subdivision 2, is amended to read:

482.2 Subd. 2. **SNAP reporting requirements.** The commissioner of human services shall
482.3 implement simplified reporting as permitted under the Food and Nutrition Act of 2008, as
482.4 amended, and the SNAP regulations in Code of Federal Regulations, title 7, part 273. SNAP
482.5 benefit recipient households required to report periodically shall not be required to report
482.6 more often than one time every six months. ~~This provision shall not apply to households~~
482.7 ~~receiving food benefits under the Minnesota family investment program waiver.~~

482.8 **EFFECTIVE DATE.** This section is effective March 1, 2025.

482.9 Sec. 24. **[256D.65] SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH**
482.10 **PROGRAM.**

482.11 **Subdivision 1. SNAP outreach program.** The commissioner of human services shall
482.12 implement a Supplemental Nutrition Assistance Program (SNAP) outreach program to
482.13 inform low-income households about the availability, eligibility requirements, application
482.14 procedures, and benefits of SNAP that meets the requirements of the United States
482.15 Department of Agriculture.

482.16 Subd. 2. **Duties of commissioner.** In addition to any other duties imposed by federal
482.17 law, the commissioner shall:

482.18 (1) supervise the administration of the SNAP outreach program according to guidance
482.19 provided by the United States Department of Agriculture;

482.20 (2) submit the SNAP outreach plan and budget to the United States Department of
482.21 Agriculture;

482.22 (3) accept any funds provided by the federal government or other sources for SNAP
482.23 outreach;

482.24 (4) administer the request-for-proposals process and establish contracts with grantees
482.25 to ensure SNAP outreach services are available to inform low-income households statewide;

482.26 (5) approve budgets from grantees to ensure that activities are eligible for federal
482.27 reimbursement;

482.28 (6) monitor grantees, review invoices, and reimburse grantees for allowable costs that
482.29 are eligible for federal reimbursement;

482.30 (7) provide technical assistance to grantees to ensure that projects support SNAP outreach
482.31 goals and project costs are eligible for federal reimbursement;

483.1 (8) work in partnership with counties, Tribal Nations, and community organizations to
483.2 enhance the reach and services of a statewide SNAP outreach program; and

483.3 (9) identify and leverage eligible nonfederal funds to earn federal reimbursement for
483.4 SNAP outreach.

483.5 Subd. 3. **Program funding.** (a) Grantees must submit allowable costs for approved
483.6 SNAP outreach activities to the commissioner in order to receive federal reimbursement.

483.7 (b) The commissioner shall disburse federal reimbursement funds for allowable costs
483.8 for approved SNAP outreach activities to the state agency or grantee that incurred the costs
483.9 being reimbursed.

483.10 Sec. 25. Minnesota Statutes 2022, section 256E.34, subdivision 4, is amended to read:

483.11 Subd. 4. **Use of money.** At least 96 percent of the money distributed to Hunger Solutions
483.12 under this section must be distributed to food shelf programs to purchase, transport, and
483.13 coordinate the distribution of nutritious food to needy individuals and families. The money
483.14 distributed to food shelf programs may also be used to purchase personal hygiene products,
483.15 including but not limited to diapers and toilet paper. No more than four percent of the money
483.16 may be expended for other expenses, such as rent, salaries, and other administrative expenses
483.17 of Hunger Solutions.

483.18 Sec. 26. **[256E.342] AMERICAN INDIAN FOOD SOVEREIGNTY FUNDING**
483.19 **PROGRAM.**

483.20 Subdivision 1. **Establishment.** The American Indian food sovereignty funding program
483.21 is established to improve access and equity to food security programs within Tribal and
483.22 American Indian communities. The program shall assist Tribal Nations and American Indian
483.23 communities in achieving self-determination and improve collaboration and partnership
483.24 building between American Indian communities and the state. The commissioner of human
483.25 services shall administer the program and provide outreach, technical assistance, and program
483.26 development support to increase food security for American Indians.

483.27 Subd. 2. **Distribution of funding.** (a) The commissioner shall provide funding to support
483.28 food system changes and provide equitable access to existing and new methods of food
483.29 support for American Indian communities. The commissioner shall determine the timing
483.30 and form of the application for the program.

483.31 (b) Eligible recipients of funding under this section include:

484.1 (1) federally recognized American Indian Tribes or bands in Minnesota as defined in
484.2 section 10.65; or

484.3 (2) nonprofit organizations or fiscal sponsors with a majority American Indian board of
484.4 directors.

484.5 (c) Funding for American Indian Tribes or Bands must be allocated by a formula
484.6 determined by the commissioner. Funding for nonprofit organizations or fiscal sponsors
484.7 must be awarded through a competitive grant process.

484.8 Subd. 3. **Allowable uses of money.** Recipients shall use money provided under this
484.9 section to promote food security for American Indian communities by:

484.10 (1) planning for sustainable food systems;

484.11 (2) implementing food security programs, including but not limited to technology to
484.12 facilitate no-contact or low-contact food distribution and outreach models;

484.13 (3) providing culturally relevant training for building food access;

484.14 (4) purchasing, producing, processing, transporting, storing, and coordinating the
484.15 distribution of food, including culturally relevant food; and

484.16 (5) purchasing seeds, plants, equipment, or materials to preserve, procure, or grow food.

484.17 Subd. 4. **Reporting.** Recipients shall report on the use of American Indian food
484.18 sovereignty funding program money under this section to the commissioner.

484.19 The commissioner shall determine the timing and form required for the reports.

484.20 Sec. 27. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:

484.21 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
484.22 is established to provide incentives for low-income families to accrue assets for education,
484.23 housing, vehicles, emergencies, and economic development purposes.

484.24 Sec. 28. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:

484.25 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

484.26 (b) "Eligible educational institution" means the following:

484.27 (1) an institution of higher education described in section 101 or 102 of the Higher
484.28 Education Act of 1965; or

485.1 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
485.2 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and
485.3 Applied Technology Education Act), which is located within any state, as defined in United
485.4 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the
485.5 extent section 2302 is in effect on August 1, 2008.

485.6 (c) "Family asset account" means a savings account opened by a household participating
485.7 in the Minnesota family assets for independence initiative.

485.8 (d) "Fiduciary organization" means:

485.9 (1) a community action agency that has obtained recognition under section 256E.31;

485.10 (2) a federal community development credit union ~~serving the seven-county metropolitan~~
485.11 ~~area; or~~

485.12 (3) a women-oriented economic development agency ~~serving the seven-county~~
485.13 ~~metropolitan area;~~

485.14 (4) a federally recognized Tribal Nation; or

485.15 (5) a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue
485.16 Code.

485.17 (e) "Financial coach" means a person who:

485.18 (1) has completed an intensive financial literacy training workshop that includes
485.19 curriculum on budgeting to increase savings, debt reduction and asset building, building a
485.20 good credit rating, and consumer protection;

485.21 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)
485.22 network training meetings under FAIM program supervision; and

485.23 (3) provides financial coaching to program participants under subdivision 4a.

485.24 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,
485.25 or credit union, the deposits of which are insured by the Federal Deposit Insurance
485.26 Corporation or the National Credit Union Administration.

485.27 (g) "Household" means all individuals who share use of a dwelling unit as primary
485.28 quarters for living and eating separate from other individuals.

485.29 (h) "Permissible use" means:

485.30 (1) postsecondary educational expenses at an eligible educational institution as defined
485.31 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

486.1 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including
486.2 any usual or reasonable settlement, financing, or other closing costs;

486.3 (3) business capitalization expenses for expenditures on capital, plant, equipment, working
486.4 capital, and inventory expenses of a legitimate business pursuant to a business plan approved
486.5 by the fiduciary organization;

486.6 (4) acquisition costs of a principal residence within the meaning of section 1034 of the
486.7 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase
486.8 price applicable to the residence determined according to section 143(e)(2) and (3) of the
486.9 Internal Revenue Code of 1986; ~~and~~

486.10 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

486.11 (6) contributions to an emergency savings account; and

486.12 (7) contributions to a Minnesota 529 savings plan.

486.13 Sec. 29. Minnesota Statutes 2022, section 256E.35, subdivision 3, is amended to read:

486.14 Subd. 3. **Grants awarded.** The commissioner shall allocate funds to participating
486.15 fiduciary organizations to provide family asset services. Grant awards must be based on a
486.16 plan submitted by a statewide organization representing fiduciary organizations. The
486.17 statewide organization must ensure that any interested unrepresented fiduciary organization
486.18 have input into the development of the plan. The plan must equitably distribute funds to
486.19 achieve geographic balance and document the capacity of participating fiduciary
486.20 organizations to manage the program. A portion of funds appropriated for this section may
486.21 be expended on the evaluation of the Minnesota family assets for independence initiative.

486.22 Sec. 30. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

486.23 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program
486.24 participants:

486.25 (1) financial education relating to budgeting, debt reduction, asset-specific training,
486.26 credit building, and financial stability activities;

486.27 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary
486.28 education, ~~or~~ starting or expanding a small business, saving for emergencies, or saving for
486.29 a child's education; and

486.30 (3) financial stability education and training to improve and sustain financial security.

487.1 Sec. 31. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

487.2 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a
487.3 participating household must transfer funds withdrawn from a family asset account to its
487.4 matching fund custodial account held by the fiscal agent, according to the family asset
487.5 agreement. The fiscal agent must determine if the match request is for a permissible use
487.6 consistent with the household's family asset agreement.

487.7 (b) The fiscal agent must ensure the household's custodial account contains the applicable
487.8 matching funds to match the balance in the household's account, including interest, on at
487.9 least a quarterly basis and at the time of an approved withdrawal. Matches must be a
487.10 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from
487.11 the family asset account not to exceed a ~~\$6,000~~ \$12,000 lifetime limit.

487.12 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for
487.13 Independence Act of 1998, and a participating fiduciary organization is awarded a grant
487.14 under that act, participating households with that fiduciary organization must be provided
487.15 matches as follows:

487.16 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of
487.17 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit;
487.18 and

487.19 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of
487.20 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$6,000 lifetime limit.

487.21 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a
487.22 direct payment to the vendor of the goods or services for the permissible use.

487.23 Sec. 32. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

487.24 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization
487.25 participating in a family assets for independence initiative must report quarterly to the
487.26 commissioner of human services identifying the participants with accounts; the number of
487.27 accounts; the amount of savings and matches for each participant's account; the uses of
487.28 the account, ~~and~~; the number of businesses, homes, vehicles, and educational services paid
487.29 for with money from the account; and the amount of contributions to Minnesota 529 savings
487.30 plans and emergency savings accounts, as well as other information that may be required
487.31 for the commissioner to administer the program and meet federal TANF reporting
487.32 requirements.

488.1 Sec. 33. Minnesota Statutes 2022, section 256I.03, subdivision 7, is amended to read:

488.2 Subd. 7. **Countable income.** (a) "Countable income" means all income received by an
488.3 applicant or recipient as described under section 256P.06, less any applicable exclusions or
488.4 disregards. For a recipient of any cash benefit from the SSI program, countable income
488.5 means the SSI benefit limit in effect at the time the person is a recipient of housing support,
488.6 less the medical assistance personal needs allowance under section 256B.35. If the SSI limit
488.7 or benefit is reduced for a person due to events other than receipt of additional income,
488.8 countable income means actual income less any applicable exclusions and disregards.

488.9 (b) For a recipient of any cash benefit from the SSI program who does not live in a
488.10 setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable
488.11 income equals the SSI benefit limit in effect at the time that the person is a recipient of
488.12 housing support, less the personal needs allowance under section 256B.35. If the SSI limit
488.13 or benefit is reduced for a person due to events other than the receipt of additional income,
488.14 countable income equals actual income less any applicable exclusions and disregards.

488.15 (c) For a recipient of any cash benefit from the SSI program who lives in a setting as
488.16 described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income
488.17 equals 30 percent of the SSI benefit limit in effect at the time that a person is a recipient of
488.18 housing support. If the SSI limit or benefit is reduced for a person due to events other than
488.19 the receipt of additional income, countable income equals 30 percent of the actual income
488.20 less any applicable exclusions and disregards. For recipients under this paragraph, the
488.21 personal needs allowance described in section 256B.35 does not apply.

488.22 (d) Notwithstanding the earned income disregard described in section 256P.03, for a
488.23 recipient of unearned income as defined in section 256P.06, subdivision 3, clause (2), other
488.24 than SSI and the general assistance personal needs allowance, who lives in a setting described
488.25 in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30
488.26 percent of the recipient's total income after applicable exclusions and disregards. Total
488.27 income includes any unearned income as defined in section 256P.06 and any earned income
488.28 in the month that the person is a recipient of housing support. For recipients under this
488.29 paragraph, the personal needs allowance described in section 256B.35 does not apply.

488.30 (e) For a recipient who lives in a setting as described in section 256I.04, subdivision 2a,
488.31 paragraph (b), clause (2), and receives general assistance, the personal needs allowance
488.32 described in section 256B.35 is not countable unearned income.

488.33 **EFFECTIVE DATE.** This section is effective October 1, 2024.

489.1 Sec. 34. Minnesota Statutes 2022, section 256I.03, subdivision 13, is amended to read:

489.2 Subd. 13. **Prospective budgeting.** "Prospective budgeting" ~~means estimating the amount~~
489.3 ~~of monthly income a person will have in the payment month~~ has the meaning given in
489.4 section 256P.01, subdivision 9.

489.5 **EFFECTIVE DATE.** This section is effective March 1, 2025.

489.6 Sec. 35. Minnesota Statutes 2022, section 256I.06, subdivision 6, is amended to read:

489.7 Subd. 6. **Reports.** Recipients must report changes in circumstances according to section
489.8 256P.07 ~~that affect eligibility or housing support payment amounts, other than changes in~~
489.9 ~~earned income, within ten days of the change.~~ Recipients with countable earned income
489.10 must complete a household report form at least once every six months according to section
489.11 256P.10. If the report form is not received before the end of the month in which it is due,
489.12 the county agency must terminate eligibility for housing support payments. The termination
489.13 shall be effective on the first day of the month following the month in which the report was
489.14 due. If a complete report is received within the month eligibility was terminated, the
489.15 individual is considered to have continued an application for housing support payment
489.16 effective the first day of the month the eligibility was terminated.

489.17 **EFFECTIVE DATE.** This section is effective March 1, 2025.

489.18 Sec. 36. Minnesota Statutes 2022, section 256I.06, is amended by adding a subdivision
489.19 to read:

489.20 Subd. 6a. **When to terminate assistance.** An agency must terminate benefits when the
489.21 assistance unit fails to submit the household report form before the end of the month in
489.22 which the household report form is due. The termination shall be effective on the first day
489.23 of the month following the month in which the household report form was due. If the
489.24 assistance unit submits the household report form within 30 days of the termination of
489.25 benefits and remains eligible, benefits must be reinstated and made available retroactively
489.26 for the full benefit month.

489.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

489.28 Sec. 37. Minnesota Statutes 2022, section 256I.06, subdivision 8, is amended to read:

489.29 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
489.30 payment to be made on behalf of an eligible individual is determined by subtracting the
489.31 individual's countable income under section 256I.04, subdivision 1, for a whole calendar

490.1 month from the room and board rate for that same month. The housing support payment is
 490.2 determined by multiplying the housing support rate times the period of time the individual
 490.3 was a resident or temporarily absent under section 256I.05, subdivision 2a.

490.4 (b) For an individual with earned income under paragraph (a), prospective budgeting
 490.5 according to section 256P.09 must be used to determine the amount of the individual's
 490.6 payment for the following six-month period. An increase in income shall not affect an
 490.7 individual's eligibility or payment amount until the month following the reporting month.
 490.8 ~~A decrease in income shall be effective the first day of the month after the month in which~~
 490.9 ~~the decrease is reported.~~

490.10 (c) For an individual who receives housing support payments under section 256I.04,
 490.11 subdivision 1, paragraph (c), the amount of the housing support payment is determined by
 490.12 multiplying the housing support rate times the period of time the individual was a resident.

490.13 **EFFECTIVE DATE.** This section is effective March 1, 2025.

490.14 Sec. 38. Minnesota Statutes 2022, section 256J.01, subdivision 1, is amended to read:

490.15 Subdivision 1. **Implementation of Minnesota family investment program**
 490.16 **(MFIP).** ~~Except for section 256J.95,~~ This chapter and chapter 256K may be cited as the
 490.17 Minnesota family investment program (MFIP). MFIP is the statewide implementation of
 490.18 components of the Minnesota family investment plan (MFIP) authorized and formerly
 490.19 codified in section 256.031 and Minnesota family investment plan-Ramsey County (MFIP-R)
 490.20 formerly codified in section 256.047.

490.21 **EFFECTIVE DATE.** This section is effective March 1, 2026.

490.22 Sec. 39. Minnesota Statutes 2022, section 256J.02, subdivision 2, is amended to read:

490.23 Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF
 490.24 block grant money must be used for:

490.25 (1) financial assistance to or on behalf of any minor child who is a resident of this state
 490.26 under section 256J.12;

490.27 (2) the health care and human services training and retention program under chapter
 490.28 116L, for costs associated with families with children with incomes below 200 percent of
 490.29 the federal poverty guidelines;

490.30 (3) the pathways program under section 116L.04, subdivision 1a;

490.31 (4) welfare to work transportation authorized under Public Law 105-178;

491.1 (5) reimbursements for the federal share of child support collections passed through to
491.2 the custodial parent;

491.3 (6) program administration under this chapter;

491.4 ~~(7) the diversionary work program under section 256J.95;~~

491.5 ~~(8)~~ (7) the MFIP consolidated fund under section 256J.626; and

491.6 ~~(9)~~ (8) the Minnesota Department of Health consolidated fund under Laws 2001, First
491.7 Special Session chapter 9, article 17, section 3, subdivision 2.

491.8 **EFFECTIVE DATE.** This section is effective March 1, 2026.

491.9 Sec. 40. Minnesota Statutes 2022, section 256J.08, subdivision 65, is amended to read:

491.10 Subd. 65. **Participant.** (a) "Participant" includes any of the following:

491.11 (1) a person who is currently receiving cash assistance or the food portion available
491.12 through MFIP;

491.13 (2) a person who withdraws a cash or food assistance payment by electronic transfer or
491.14 receives and cashes an MFIP assistance check or food coupons and is subsequently
491.15 determined to be ineligible for assistance for that period of time is a participant, regardless
491.16 whether that assistance is repaid;

491.17 (3) the caregiver relative and the minor child whose needs are included in the assistance
491.18 payment;

491.19 (4) a person in an assistance unit who does not receive a cash and food assistance payment
491.20 because the case has been suspended from MFIP; and

491.21 ~~(5) a person who receives cash payments under the diversionary work program under~~
491.22 ~~section 256J.95 is a participant; and~~

491.23 ~~(6)~~ (5) a person who receives cash payments under family stabilization services under
491.24 section 256J.575.

491.25 (b) "Participant" does not include a person who fails to withdraw or access electronically
491.26 any portion of the person's cash and food assistance payment by the end of the payment
491.27 month, who makes a written request for closure before the first of a payment month and
491.28 repays cash and food assistance electronically issued for that payment month within that
491.29 payment month, or who returns any uncashed assistance check and food coupons and
491.30 withdraws from the program.

491.31 **EFFECTIVE DATE.** This section is effective March 1, 2026.

492.1 Sec. 41. Minnesota Statutes 2022, section 256J.08, subdivision 71, is amended to read:

492.2 Subd. 71. **Prospective budgeting.** "Prospective budgeting" ~~means a method of~~
492.3 ~~determining the amount of the assistance payment in which the budget month and payment~~
492.4 ~~month are the same~~ has the meaning given in section 256P.01, subdivision 9.

492.5 **EFFECTIVE DATE.** This section is effective March 1, 2025.

492.6 Sec. 42. Minnesota Statutes 2022, section 256J.08, subdivision 79, is amended to read:

492.7 Subd. 79. **Recurring income.** "Recurring income" means a form of income which is:

492.8 (1) received periodically, and may be received irregularly when receipt can be anticipated
492.9 even though the date of receipt cannot be predicted; and

492.10 (2) from the same source or of the same type that is received and budgeted in a
492.11 prospective month ~~and is received in one or both of the first two retrospective months.~~

492.12 **EFFECTIVE DATE.** This section is effective March 1, 2025.

492.13 Sec. 43. Minnesota Statutes 2022, section 256J.09, subdivision 10, is amended to read:

492.14 Subd. 10. **Ineligibility for MFIP ~~or the diversionary work program.~~** When an applicant
492.15 is not eligible for MFIP ~~or the diversionary work program under section 256J.95~~ because
492.16 the applicant does not meet eligibility requirements, the county agency must determine
492.17 whether the applicant is eligible for SNAP⁵ or health care programs. The county must also
492.18 inform applicants about resources available through the county or other agencies to meet
492.19 short-term emergency needs.

492.20 **EFFECTIVE DATE.** This section is effective March 1, 2026.

492.21 Sec. 44. Minnesota Statutes 2022, section 256J.11, subdivision 1, is amended to read:

492.22 Subdivision 1. **General citizenship requirements.** (a) To be eligible for MFIP, a member
492.23 of the assistance unit must be a citizen of the United States, a qualified noncitizen as defined
492.24 in section 256J.08, or a noncitizen who is otherwise residing lawfully in the United States.

492.25 (b) A qualified noncitizen who entered the United States on or after August 22, 1996,
492.26 is eligible for MFIP. However, TANF dollars cannot be used to fund the MFIP benefits for
492.27 an individual under this paragraph for a period of five years after the date of entry unless
492.28 the qualified noncitizen meets one of the following criteria:

492.29 (1) was admitted to the United States as a refugee under United States Code, title 8,
492.30 section 1157;

493.1 (2) was granted asylum under United States Code, title 8, section 1158;

493.2 (3) was granted withholding of deportation under the United States Code, title 8, section
493.3 1253(h);

493.4 (4) is a veteran of the United States armed forces with an honorable discharge for a
493.5 reason other than noncitizen status, or is a spouse or unmarried minor dependent child of
493.6 the same; or

493.7 (5) is an individual on active duty in the United States armed forces, other than for
493.8 training, or is a spouse or unmarried minor dependent child of the same.

493.9 (c) A person who is not a qualified noncitizen but who is otherwise residing lawfully in
493.10 the United States is eligible for MFIP. However, TANF dollars cannot be used to fund the
493.11 MFIP benefits for an individual under this paragraph.

493.12 (d) For purposes of this subdivision, a nonimmigrant in one or more of the classes listed
493.13 in United States Code, title 8, section 1101(a)(15)(A)-(S) and (V), or an undocumented
493.14 immigrant who resides in the United States without the approval or acquiescence of the
493.15 United States Citizenship and Immigration Services, is not eligible for MFIP.

493.16 **EFFECTIVE DATE.** This section is effective March 1, 2024.

493.17 Sec. 45. Minnesota Statutes 2022, section 256J.21, subdivision 3, is amended to read:

493.18 Subd. 3. **Initial income test.** (a) The agency shall determine initial eligibility by
493.19 considering all earned and unearned income as defined in section 256P.06. To be eligible
493.20 for MFIP, the assistance unit's countable income minus the earned income disregards in
493.21 paragraph (a) and section 256P.03 must be below the family wage level according to section
493.22 256J.24, subdivision 7, for that size assistance unit.

493.23 ~~(a)~~ (b) The initial eligibility determination must disregard the following items:

493.24 (1) the earned income disregard as determined in section 256P.03;

493.25 (2) dependent care costs must be deducted from gross earned income for the actual
493.26 amount paid for dependent care up to a maximum of \$200 per month for each child less
493.27 than two years of age, and \$175 per month for each child two years of age and older;

493.28 (3) all payments made according to a court order for spousal support or the support of
493.29 children not living in the assistance unit's household shall be disregarded from the income
493.30 of the person with the legal obligation to pay support; and

494.1 (4) an allocation for the unmet need of an ineligible spouse or an ineligible child under
494.2 the age of 21 for whom the caregiver is financially responsible and who lives with the
494.3 caregiver according to section 256J.36.

494.4 ~~(b) After initial eligibility is established,~~ (c) The income test is for a six-month period.
494.5 The assistance payment calculation is based on ~~the monthly income test~~ prospective budgeting
494.6 according to section 256P.09.

494.7 **EFFECTIVE DATE.** This section is effective March 1, 2025.

494.8 Sec. 46. Minnesota Statutes 2022, section 256J.21, subdivision 4, is amended to read:

494.9 Subd. 4. **Monthly Income test and determination of assistance payment.** ~~The county~~
494.10 ~~agency shall determine ongoing eligibility and the assistance payment amount according~~
494.11 ~~to the monthly income test.~~ To be eligible for MFIP, the result of the computations in
494.12 paragraphs (a) to (e) applied to prospective budgeting must be at least \$1.

494.13 (a) Apply an income disregard as defined in section 256P.03, to gross earnings and
494.14 subtract this amount from the family wage level. If the difference is equal to or greater than
494.15 the MFIP transitional standard, the assistance payment is equal to the MFIP transitional
494.16 standard. If the difference is less than the MFIP transitional standard, the assistance payment
494.17 is equal to the difference. The earned income disregard in this paragraph must be deducted
494.18 every month there is earned income.

494.19 (b) All payments made according to a court order for spousal support or the support of
494.20 children not living in the assistance unit's household must be disregarded from the income
494.21 of the person with the legal obligation to pay support.

494.22 (c) An allocation for the unmet need of an ineligible spouse or an ineligible child under
494.23 the age of 21 for whom the caregiver is financially responsible and who lives with the
494.24 caregiver must be made according to section 256J.36.

494.25 (d) Subtract unearned income dollar for dollar from the MFIP transitional standard to
494.26 determine the assistance payment amount.

494.27 (e) When income is both earned and unearned, the amount of the assistance payment
494.28 must be determined by first treating gross earned income as specified in paragraph (a). After
494.29 determining the amount of the assistance payment under paragraph (a), unearned income
494.30 must be subtracted from that amount dollar for dollar to determine the assistance payment
494.31 amount.

495.1 ~~(f) When the monthly income is greater than the MFIP transitional standard after~~
 495.2 ~~deductions and the income will only exceed the standard for one month, the county agency~~
 495.3 ~~must suspend the assistance payment for the payment month.~~

495.4 **EFFECTIVE DATE.** This section is effective March 1, 2025.

495.5 Sec. 47. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

495.6 Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been
 495.7 convicted of a felony level drug offense committed during the previous ten years from the
 495.8 date of application or recertification is subject to the following:

495.9 (1) Benefits for the entire assistance unit must be paid in vendor form for shelter and
 495.10 utilities during any time the applicant is part of the assistance unit.

495.11 (2) The convicted applicant or participant ~~shall~~ may be subject to random drug testing
 495.12 ~~as a condition of continued eligibility and.~~ Following any positive test for an illegal controlled
 495.13 substance is subject to the following sanctions, the county must provide information about
 495.14 substance use disorder treatment programs to the applicant or participant.

495.15 ~~(i) for failing a drug test the first time, the residual amount of the participant's grant after~~
 495.16 ~~making vendor payments for shelter and utility costs, if any, must be reduced by an amount~~
 495.17 ~~equal to 30 percent of the MFIP standard of need for an assistance unit of the same size.~~
 495.18 ~~When a sanction under this subdivision is in effect, the job counselor must attempt to meet~~
 495.19 ~~with the person face-to-face. During the face-to-face meeting, the job counselor must explain~~
 495.20 ~~the consequences of a subsequent drug test failure and inform the participant of the right to~~
 495.21 ~~appeal the sanction under section 256J.40. If a face-to-face meeting is not possible, the~~
 495.22 ~~county agency must send the participant a notice of adverse action as provided in section~~
 495.23 ~~256J.31, subdivisions 4 and 5, and must include the information required in the face-to-face~~
 495.24 ~~meeting; or~~

495.25 ~~(ii) for failing a drug test two times, the participant is permanently disqualified from~~
 495.26 ~~receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP~~
 495.27 ~~grant must be reduced by the amount which would have otherwise been made available to~~
 495.28 ~~the disqualified participant. Disqualification under this item does not make a participant~~
 495.29 ~~ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a~~
 495.30 ~~disqualification under this provision is imposed, the job counselor must attempt to meet~~
 495.31 ~~with the participant face-to-face. During the face-to-face meeting, the job counselor must~~
 495.32 ~~identify other resources that may be available to the participant to meet the needs of the~~
 495.33 ~~family and inform the participant of the right to appeal the disqualification under section~~

496.1 ~~256J.40. If a face-to-face meeting is not possible, the county agency must send the participant~~
496.2 ~~a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must~~
496.3 ~~include the information required in the face-to-face meeting.~~

496.4 ~~(3) A participant who fails a drug test the first time and is under a sanction due to other~~
496.5 ~~MFIP program requirements is considered to have more than one occurrence of~~
496.6 ~~noncompliance and is subject to the applicable level of sanction as specified under section~~
496.7 ~~256J.46, subdivision 1, paragraph (d).~~

496.8 (b) Applicants requesting only SNAP benefits or participants receiving only SNAP
496.9 benefits, who have been convicted of a felony-level drug offense that occurred after July
496.10 1, 1997, during the previous ten years from the date of application or recertification may,
496.11 if otherwise eligible, receive SNAP benefits ~~if~~. The convicted applicant or participant is
496.12 may be subject to random drug testing as a condition of continued eligibility. Following a
496.13 positive test for an illegal controlled substance, the ~~applicant is subject to the following~~
496.14 ~~sanctions~~: county must provide information about substance use disorder treatment programs
496.15 to the applicant or participant.

496.16 ~~(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount~~
496.17 ~~equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this~~
496.18 ~~clause is in effect, a job counselor must attempt to meet with the person face-to-face. During~~
496.19 ~~the face-to-face meeting, a job counselor must explain the consequences of a subsequent~~
496.20 ~~drug test failure and inform the participant of the right to appeal the sanction under section~~
496.21 ~~256J.40. If a face-to-face meeting is not possible, a county agency must send the participant~~
496.22 ~~a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must~~
496.23 ~~include the information required in the face-to-face meeting; and~~

496.24 ~~(2) for failing a drug test two times, the participant is permanently disqualified from~~
496.25 ~~receiving SNAP benefits. Before a disqualification under this provision is imposed, a job~~
496.26 ~~counselor must attempt to meet with the participant face-to-face. During the face-to-face~~
496.27 ~~meeting, the job counselor must identify other resources that may be available to the~~
496.28 ~~participant to meet the needs of the family and inform the participant of the right to appeal~~
496.29 ~~the disqualification under section 256J.40. If a face-to-face meeting is not possible, a county~~
496.30 ~~agency must send the participant a notice of adverse action as provided in section 256J.31,~~
496.31 ~~subdivisions 4 and 5, and must include the information required in the face-to-face meeting.~~

496.32 (c) For the purposes of this subdivision, "drug offense" means ~~an offense~~ a conviction
496.33 that occurred during the previous ten years from the date of application or recertification
496.34 of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense

497.1 also means a conviction in another jurisdiction of the possession, use, or distribution of a
497.2 controlled substance, or conspiracy to commit any of these offenses, if the ~~offense~~ conviction
497.3 occurred during the previous ten years from the date of application or recertification and
497.4 the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high
497.5 misdemeanor.

497.6 **EFFECTIVE DATE.** This section is effective August 1, 2023.

497.7 Sec. 48. Minnesota Statutes 2022, section 256J.33, subdivision 1, is amended to read:

497.8 Subdivision 1. **Determination of eligibility.** (a) A county agency must determine MFIP
497.9 eligibility prospectively ~~for a payment month~~ based on ~~retrospectively~~ assessing income
497.10 and the county agency's best estimate of the circumstances that will exist in the payment
497.11 month.

497.12 (b) ~~Except as described in section 256J.34, subdivision 1, when prospective eligibility~~
497.13 ~~exists,~~ A county agency must calculate the amount of the assistance payment using
497.14 ~~retrospective~~ prospective budgeting. To determine MFIP eligibility and the assistance
497.15 payment amount, a county agency must apply countable income, described in sections
497.16 256P.06 and 256J.37, subdivisions 3 to ~~4~~ 9, received by members of an assistance unit or
497.17 by other persons whose income is counted for the assistance unit, described under sections
497.18 256J.37, subdivisions 1 to 2, and 256P.06, subdivision 1.

497.19 (c) This income must be applied to the MFIP standard of need or family wage level
497.20 subject to this section and sections 256J.34 to 256J.36. Countable income as described in
497.21 section 256P.06, subdivision 3, received ~~in a calendar month~~ must be applied to the needs
497.22 of an assistance unit.

497.23 (d) An assistance unit is not eligible when the countable income equals or exceeds the
497.24 MFIP standard of need or the family wage level for the assistance unit.

497.25 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
497.26 to paragraph (b) striking "10" and inserting "9" is effective July 1, 2024.

497.27 Sec. 49. Minnesota Statutes 2022, section 256J.33, subdivision 2, is amended to read:

497.28 Subd. 2. **Prospective eligibility.** An agency must determine whether the eligibility
497.29 requirements that pertain to an assistance unit, including those in sections 256J.11 to 256J.15
497.30 and 256P.02, will be met prospectively for the payment month period. ~~Except for the~~
497.31 ~~provisions in section 256J.34, subdivision 1,~~ The income test will be applied ~~retrospectively~~
497.32 prospectively.

498.1 **EFFECTIVE DATE.** This section is effective March 1, 2025.

498.2 Sec. 50. Minnesota Statutes 2022, section 256J.35, is amended to read:

498.3 **256J.35 AMOUNT OF ASSISTANCE PAYMENT.**

498.4 Except as provided in paragraphs (a) to ~~(d)~~ (e), the amount of an assistance payment is
498.5 equal to the difference between the MFIP standard of need or the Minnesota family wage
498.6 level in section 256J.24 and countable income.

498.7 (a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing
498.8 assistance grant of \$110 per month, unless:

498.9 (1) the housing assistance unit is currently receiving public and assisted rental subsidies
498.10 provided through the Department of Housing and Urban Development (HUD) and is subject
498.11 to section 256J.37, subdivision 3a; or

498.12 (2) the assistance unit is a child-only case under section 256J.88.

498.13 (b) On October 1 of each year, the commissioner shall adjust the MFIP housing assistance
498.14 grant in paragraph (a) for inflation based on the CPI-U for the prior calendar year.

498.15 (c) When MFIP eligibility exists for the month of application, the amount of the assistance
498.16 payment for the month of application must be prorated from the date of application or the
498.17 date all other eligibility factors are met for that applicant, whichever is later. This provision
498.18 applies when an applicant loses at least one day of MFIP eligibility.

498.19 ~~(e)~~ (d) MFIP overpayments to an assistance unit must be recouped according to section
498.20 256P.08, subdivision 6.

498.21 ~~(d)~~ (e) An initial assistance payment must not be made to an applicant who is not eligible
498.22 on the date payment is made.

498.23 **EFFECTIVE DATE.** This section is effective October 1, 2024.

498.24 Sec. 51. Minnesota Statutes 2022, section 256J.37, subdivision 3, is amended to read:

498.25 Subd. 3. **Earned income of wage, salary, and contractual employees.** The agency
498.26 must include gross earned income less any disregards in the initial ~~and monthly~~ income
498.27 test. Gross earned income received by persons employed on a contractual basis must be
498.28 prorated over the period covered by the contract even when payments are received over a
498.29 lesser period of time.

498.30 **EFFECTIVE DATE.** This section is effective March 1, 2025.

499.1 Sec. 52. Minnesota Statutes 2022, section 256J.37, subdivision 3a, is amended to read:

499.2 Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the agency
499.3 shall count \$50 of the value of public and assisted rental subsidies provided through the
499.4 Department of Housing and Urban Development (HUD) as unearned income to the cash
499.5 portion of the MFIP grant. The full amount of the subsidy must be counted as unearned
499.6 income when the subsidy is less than \$50. The income from this subsidy shall be budgeted
499.7 according to section ~~256J.34~~ 256P.09.

499.8 (b) The provisions of this subdivision shall not apply to an MFIP assistance unit which
499.9 includes a participant who is:

499.10 (1) age 60 or older;

499.11 (2) a caregiver who is suffering from an illness, injury, or incapacity that has been
499.12 certified by a qualified professional when the illness, injury, or incapacity is expected to
499.13 continue for more than 30 days and severely limits the person's ability to obtain or maintain
499.14 suitable employment; or

499.15 (3) a caregiver whose presence in the home is required due to the illness or incapacity
499.16 of another member in the assistance unit, a relative in the household, or a foster child in the
499.17 household when the illness or incapacity and the need for the participant's presence in the
499.18 home has been certified by a qualified professional and is expected to continue for more
499.19 than 30 days.

499.20 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit where
499.21 the parental caregiver is an SSI participant.

499.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

499.23 Sec. 53. Minnesota Statutes 2022, section 256J.40, is amended to read:

499.24 **256J.40 FAIR HEARINGS.**

499.25 Caregivers receiving a notice of intent to sanction or a notice of adverse action that
499.26 includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or
499.27 termination of benefits may request a fair hearing. A request for a fair hearing must be
499.28 submitted in writing to the county agency or to the commissioner and must be mailed within
499.29 30 days after a participant or former participant receives written notice of the agency's action
499.30 or within 90 days when a participant or former participant shows good cause for not
499.31 submitting the request within 30 days. A former participant who receives a notice of adverse

500.1 action due to an overpayment may appeal the adverse action according to the requirements
500.2 in this section. Issues that may be appealed are:

500.3 (1) the amount of the assistance payment;

500.4 (2) a suspension, reduction, denial, or termination of assistance;

500.5 (3) the basis for an overpayment, the calculated amount of an overpayment, and the level
500.6 of recoupment;

500.7 (4) the eligibility for an assistance payment; and

500.8 (5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses
500.9 (1) to (3).

500.10 ~~Except for benefits issued under section 256J.95,~~ A county agency must not reduce,
500.11 suspend, or terminate payment when an aggrieved participant requests a fair hearing prior
500.12 to the effective date of the adverse action or within ten days of the mailing of the notice of
500.13 adverse action, whichever is later, unless the participant requests in writing not to receive
500.14 continued assistance pending a hearing decision. ~~An appeal request cannot extend benefits~~
500.15 ~~for the diversionary work program under section 256J.95 beyond the four-month time limit.~~
500.16 Assistance issued pending a fair hearing is subject to recovery under section 256P.08 when
500.17 as a result of the fair hearing decision the participant is determined ineligible for assistance
500.18 or the amount of the assistance received. A county agency may increase or reduce an
500.19 assistance payment while an appeal is pending when the circumstances of the participant
500.20 change and are not related to the issue on appeal. The commissioner's order is binding on
500.21 a county agency. No additional notice is required to enforce the commissioner's order.

500.22 A county agency shall reimburse appellants for reasonable and necessary expenses of
500.23 attendance at the hearing, such as child care and transportation costs and for the transportation
500.24 expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable
500.25 and necessary expenses do not include legal fees. Fair hearings must be conducted at a
500.26 reasonable time and date by an impartial human services judge employed by the department.
500.27 The hearing may be conducted by telephone or at a site that is readily accessible to persons
500.28 with disabilities.

500.29 The appellant may introduce new or additional evidence relevant to the issues on appeal.
500.30 Recommendations of the human services judge and decisions of the commissioner must be
500.31 based on evidence in the hearing record and are not limited to a review of the county agency
500.32 action.

500.33 **EFFECTIVE DATE.** This section is effective March 1, 2026.

501.1 Sec. 54. Minnesota Statutes 2022, section 256J.42, subdivision 5, is amended to read:

501.2 Subd. 5. **Exemption for certain families.** (a) Any cash assistance received by an
501.3 assistance unit does not count toward the 60-month limit on assistance during a month in
501.4 which the caregiver is age 60 or older.

501.5 (b) From July 1, 1997, until the date MFIP is operative in the caregiver's county of
501.6 financial responsibility, any cash assistance received by a caregiver who is complying with
501.7 Minnesota Statutes 1996, section 256.73, subdivision 5a, and Minnesota Statutes 1998,
501.8 section 256.736, if applicable, does not count toward the 60-month limit on assistance.
501.9 Thereafter, any cash assistance received by a minor caregiver who is complying with the
501.10 requirements of sections 256J.14 and 256J.54, if applicable, does not count towards the
501.11 60-month limit on assistance.

501.12 (c) Any diversionary assistance or emergency assistance received prior to July 1, 2003,
501.13 does not count toward the 60-month limit.

501.14 (d) Any cash assistance received by an 18- or 19-year-old caregiver who is complying
501.15 with an employment plan that includes an education option under section 256J.54 does not
501.16 count toward the 60-month limit.

501.17 (e) Payments provided to meet short-term emergency needs under section 256J.626 ~~and~~
501.18 ~~diversionary work program benefits provided under section 256J.95~~ do not count toward
501.19 the 60-month time limit.

501.20 **EFFECTIVE DATE.** This section is effective March 1, 2026.

501.21 Sec. 55. Minnesota Statutes 2022, section 256J.425, subdivision 1, is amended to read:

501.22 Subdivision 1. **Eligibility.** (a) To be eligible for a hardship extension, a participant in
501.23 an assistance unit subject to the time limit under section 256J.42, subdivision 1, must ~~be in~~
501.24 ~~compliance in the participant's 60th counted month. For purposes of determining eligibility~~
501.25 ~~for a hardship extension, a participant is in compliance in any month that the participant~~
501.26 ~~has not been sanctioned. In order to maintain eligibility for any of the hardship extension~~
501.27 ~~categories a participant shall~~ develop and comply with either an employment plan or a
501.28 family stabilization services plan, whichever is appropriate.

501.29 (b) If one participant in a two-parent assistance unit is determined to be ineligible for a
501.30 hardship extension, the county shall give the assistance unit the option of disqualifying the
501.31 ineligible participant from MFIP. In that case, the assistance unit shall be treated as a
501.32 one-parent assistance unit.

502.1 ~~(e) Prior to denying an extension, the county must review the sanction status and~~
502.2 ~~determine whether the sanction is appropriate or if good cause exists under section 256J.57.~~
502.3 ~~If the sanction was inappropriately applied or the participant is granted a good cause~~
502.4 ~~exception before the end of month 60, the participant shall be considered for an extension.~~

502.5 **EFFECTIVE DATE.** This section is effective May 1, 2026.

502.6 Sec. 56. Minnesota Statutes 2022, section 256J.425, subdivision 4, is amended to read:

502.7 Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under
502.8 section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension
502.9 if the participant who reached the time limit belongs to:

502.10 (1) a one-parent assistance unit in which the participant is participating in work activities
502.11 for at least 30 hours per week, of which an average of at least 25 hours per week every
502.12 month are spent participating in employment;

502.13 (2) a two-parent assistance unit in which the participants are participating in work
502.14 activities for at least 55 hours per week, of which an average of at least 45 hours per week
502.15 every month are spent participating in employment; or

502.16 (3) an assistance unit in which a participant is participating in employment for fewer
502.17 hours than those specified in clause (1), and the participant submits verification from a
502.18 qualified professional, in a form acceptable to the commissioner, stating that the number
502.19 of hours the participant may work is limited due to illness or disability, as long as the
502.20 participant is participating in employment for at least the number of hours specified by the
502.21 qualified professional. The participant must be following the treatment recommendations
502.22 of the qualified professional providing the verification. The commissioner shall develop a
502.23 form to be completed and signed by the qualified professional, documenting the diagnosis
502.24 and any additional information necessary to document the functional limitations of the
502.25 participant that limit work hours. If the participant is part of a two-parent assistance unit,
502.26 the other parent must be treated as a one-parent assistance unit for purposes of meeting the
502.27 work requirements under this subdivision.

502.28 (b) For purposes of this section, employment means:

502.29 (1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);

502.30 (2) subsidized employment under section 256J.49, subdivision 13, clause (2);

502.31 (3) on-the-job training under section 256J.49, subdivision 13, clause (2);

502.32 (4) an apprenticeship under section 256J.49, subdivision 13, clause (1);

503.1 (5) supported work under section 256J.49, subdivision 13, clause (2);

503.2 (6) a combination of clauses (1) to (5); or

503.3 (7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination
503.4 with paid employment.

503.5 (c) If a participant is complying with a child protection plan under chapter 260C, the
503.6 number of hours required under the child protection plan count toward the number of hours
503.7 required under this subdivision.

503.8 (d) The county shall provide the opportunity for subsidized employment to participants
503.9 needing that type of employment within available appropriations.

503.10 ~~(e) To be eligible for a hardship extension for employed participants under this~~
503.11 ~~subdivision, a participant must be in compliance for at least ten out of the 12 months the~~
503.12 ~~participant received MFIP immediately preceding the participant's 61st month on assistance.~~
503.13 ~~If ten or fewer months of eligibility for TANF assistance remain at the time the participant~~
503.14 ~~from another state applies for assistance, the participant must be in compliance every month.~~

503.15 ~~(f)~~ (e) The employment plan developed under section 256J.521, subdivision 2, for
503.16 participants under this subdivision must contain at least the minimum number of hours
503.17 specified in paragraph (a) for the purpose of meeting the requirements for an extension
503.18 under this subdivision. The job counselor and the participant must sign the employment
503.19 plan to indicate agreement between the job counselor and the participant on the contents of
503.20 the plan.

503.21 ~~(g)~~ (f) Participants who fail to meet the requirements in paragraph (a), without eligibility
503.22 for another hardship extension or good cause under section 256J.57, shall be ~~sanctioned~~
503.23 subject to sanction or permanently disqualified under subdivision 6. ~~Good cause may only~~
503.24 ~~be granted for that portion of the month for which the good cause reason applies~~ case closure.
503.25 Participants must meet all remaining requirements in the approved employment plan or be
503.26 subject to sanction or ~~permanent disqualification~~ case closure.

503.27 ~~(h)~~ (g) If the noncompliance with an employment plan is due to the involuntary loss of
503.28 employment, the participant is exempt from the hourly employment requirement under this
503.29 subdivision for one month. Participants must meet all remaining requirements in the approved
503.30 employment plan or be subject to sanction or ~~permanent disqualification~~ case closure if
503.31 ineligible for another hardship extension.

503.32 **EFFECTIVE DATE.** This section is effective May 1, 2026.

504.1 Sec. 57. Minnesota Statutes 2022, section 256J.425, subdivision 5, is amended to read:

504.2 Subd. 5. **Accrual of certain exempt months.** (a) Participants who are not eligible for
504.3 assistance under a hardship extension under this section shall be eligible for a hardship
504.4 extension for a period of time equal to the number of months that were counted toward the
504.5 60-month time limit while the participant was a caregiver with a child or an adult in the
504.6 household who meets the disability or medical criteria for home care services under section
504.7 256B.0651, subdivision 1, paragraph (c), or a home and community-based waiver services
504.8 program under chapter 256B, or meets the criteria for severe emotional disturbance under
504.9 section 245.4871, subdivision 6, or for serious and persistent mental illness under section
504.10 245.462, subdivision 20, paragraph (c), and who was subject to the requirements in section
504.11 256J.561, subdivision 2.

504.12 (b) A participant who received MFIP assistance that counted toward the 60-month time
504.13 limit while the participant met the state time limit exemption criteria under section 256J.42,
504.14 subdivision 4 or 5, is eligible for assistance under a hardship extension for a period of time
504.15 equal to the number of months that were counted toward the 60-month time limit while the
504.16 participant met the state time limit exemption criteria under section 256J.42, subdivision 4
504.17 or 5.

504.18 (c) After the accrued months have been exhausted, the county agency must determine
504.19 if the assistance unit is eligible for an extension under another extension category in
504.20 subdivision 2, 3, or 4.

504.21 (d) At the time of the case review, a county agency must explain to the participant the
504.22 basis for receiving a hardship extension based on the accrual of exempt months. The
504.23 participant must provide documentation necessary to enable the county agency to determine
504.24 whether the participant is eligible to receive a hardship extension based on the accrual of
504.25 exempt months or authorize a county agency to verify the information.

504.26 ~~(e) While receiving extended MFIP assistance under this subdivision, a participant is~~
504.27 ~~subject to the MFIP policies that apply to participants during the first 60 months of MFIP,~~
504.28 ~~unless the participant is a member of a two-parent family in which one parent is extended~~
504.29 ~~under subdivision 3 or 4. For two-parent families in which one parent is extended under~~
504.30 ~~subdivision 3 or 4, the sanction provisions in subdivision 6 shall apply.~~

504.31 **EFFECTIVE DATE.** This section is effective May 1, 2026.

505.1 Sec. 58. Minnesota Statutes 2022, section 256J.425, subdivision 7, is amended to read:

505.2 Subd. 7. **Status of ~~disqualified participants~~ closed cases.** (a) An assistance unit that
505.3 ~~is disqualified~~ has its case closed under ~~subdivision 6, paragraph (a), section 256J.46~~ may
505.4 be approved for MFIP if the participant complies with MFIP program requirements and
505.5 demonstrates compliance for up to one month. No assistance shall be paid during this period.

505.6 (b) An assistance unit that ~~is disqualified~~ has its case closed under ~~subdivision 6,~~
505.7 ~~paragraph (a), section 256J.46~~ and that reapplies under paragraph (a) is subject to sanction
505.8 under section 256J.46, subdivision 1, paragraph (c), ~~clause (1), for a first occurrence of~~
505.9 ~~noncompliance. A subsequent occurrence of noncompliance results in a permanent~~
505.10 ~~disqualification.~~

505.11 ~~(c) If one participant in a two-parent assistance unit receiving assistance under a hardship~~
505.12 ~~extension under subdivision 3 or 4 is determined to be out of compliance with the~~
505.13 ~~employment and training services requirements under sections 256J.521 to 256J.57, the~~
505.14 ~~county shall give the assistance unit the option of disqualifying the noncompliant participant~~
505.15 ~~from MFIP. In that case, the assistance unit shall be treated as a one-parent assistance unit~~
505.16 ~~for the purposes of meeting the work requirements under subdivision 4. An applicant who~~
505.17 ~~is disqualified from receiving assistance under this paragraph may reapply under paragraph~~
505.18 ~~(a). If a participant is disqualified from MFIP under this subdivision a second time, the~~
505.19 ~~participant is permanently disqualified from MFIP.~~

505.20 ~~(d)~~ (c) Prior to a disqualification case closure under this subdivision, a county agency
505.21 must review the participant's case to determine if the employment plan is still appropriate
505.22 and attempt to meet with the participant face-to-face. If a face-to-face meeting is not
505.23 conducted, the county agency must send the participant a notice of adverse action as provided
505.24 in section 256J.31. During the face-to-face meeting, the county agency must:

505.25 (1) determine whether the continued noncompliance can be explained and mitigated by
505.26 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
505.27 clause (9);

505.28 (2) determine whether the participant qualifies for a good cause exception under section
505.29 256J.57;

505.30 (3) inform the participant of the family violence waiver criteria and make appropriate
505.31 referrals if the waiver is requested;

505.32 (4) inform the participant of the participant's sanction status and explain the consequences
505.33 of continuing noncompliance;

506.1 (5) identify other resources that may be available to the participant to meet the needs of
506.2 the family; and

506.3 (6) inform the participant of the right to appeal under section 256J.40.

506.4 **EFFECTIVE DATE.** This section is effective May 1, 2026.

506.5 Sec. 59. Minnesota Statutes 2022, section 256J.46, subdivision 1, is amended to read:

506.6 Subdivision 1. **Participants not complying with program requirements.** (a) A
506.7 participant who fails without good cause under section 256J.57 to comply with the
506.8 requirements of ~~this chapter~~ for orientation under section 256J.45, or employment and
506.9 training services under sections 256J.515 to 256J.57, and who is not subject to a sanction
506.10 under subdivision 2, shall be subject to a sanction or case closure as provided in this
506.11 ~~subdivision~~ section. Good cause may only be granted for the month for which the good
506.12 cause reason applies. Prior to the imposition of a sanction, a county agency shall provide a
506.13 notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a
506.14 notice of adverse action as provided in section 256J.31, subdivision 5.

506.15 (b) A sanction under this subdivision becomes effective the month following the month
506.16 in which a required notice is given. A sanction must not be imposed when a participant
506.17 comes into compliance ~~with the requirements for orientation under section 256J.45~~ prior to
506.18 the effective date of the sanction. ~~A sanction must not be imposed when a participant comes~~
506.19 ~~into compliance with the requirements for employment and training services under sections~~
506.20 ~~256J.515 to 256J.57 ten days prior to the effective date of the sanction.~~ For purposes of this
506.21 subdivision, each month that a participant fails to comply with a requirement of this chapter
506.22 shall be considered a separate occurrence of noncompliance. If both participants in a
506.23 two-parent assistance unit are out of compliance at the same time, it is considered one
506.24 occurrence of noncompliance.

506.25 (c) Sanctions for noncompliance ~~shall be imposed as follows:~~

506.26 ~~(1) For the first occurrence of noncompliance by a participant in an assistance unit, the~~
506.27 ~~assistance unit's grant shall be reduced by ten percent of the MFIP standard of need for an~~
506.28 ~~assistance unit of the same size with the residual grant paid to the participant. The reduction~~
506.29 ~~in the grant amount must be in effect for a minimum of one month and shall be removed in~~
506.30 ~~the month following the month that the participant returns to compliance.~~

506.31 ~~(2) for a~~ the first, second, third, fourth, fifth, or sixth consecutive occurrence of
506.32 noncompliance by a participant in an assistance unit, ~~the assistance unit's shelter costs shall~~
506.33 ~~be vendor paid up to the amount of the cash portion of the MFIP grant for which the~~

507.1 ~~assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor~~
 507.2 ~~paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment~~
 507.3 ~~of the assistance unit's shelter costs. The residual amount of the grant after vendor payment,~~
 507.4 ~~if any, must be reduced by an amount are equal to 30 a reduction of five percent of the cash~~
 507.5 ~~portion of the MFIP standard of need for an grant received by the assistance unit of the~~
 507.6 ~~same size before the residual grant is paid to the assistance unit. The reduction in the grant~~
 507.7 ~~amount must be in effect for a minimum of one month and shall be removed in the month~~
 507.8 ~~following the month that the participant in a one-parent assistance unit returns to compliance,~~
 507.9 ~~unless the requirements in paragraph (h) are met. In a two-parent assistance unit, the grant~~
 507.10 ~~reduction must be in effect for a minimum of one month and shall be removed in the month~~
 507.11 ~~following the month both participants return to compliance, unless the requirements in~~
 507.12 ~~paragraph (h) are met. The vendor payment of shelter costs and, if applicable, utilities shall~~
 507.13 ~~be removed six months after the month in which the participant or participants return to~~
 507.14 ~~compliance. When an assistance unit comes into compliance with the requirements in section~~
 507.15 ~~256.741, or shows good cause under section 256.741, subdivision 10, or 256J.57, the sanction~~
 507.16 ~~occurrences for that assistance unit shall be equal to zero sanctions. If an assistance unit is~~
 507.17 ~~sanctioned under this clause, the participant's case file must be reviewed to determine if the~~
 507.18 ~~employment plan is still appropriate.~~

507.19 (d) For a seventh consecutive occurrence of noncompliance by a participant in an
 507.20 ~~assistance unit, or when the participants in a two-parent assistance unit have a total of seven~~
 507.21 ~~occurrences of noncompliance,~~ the county agency shall close the MFIP assistance unit's
 507.22 financial assistance case, ~~both~~ including the cash and food portions, and redetermine the
 507.23 family's ~~continued~~ eligibility for Supplemental Nutrition Assistance Program (SNAP)
 507.24 payments. The MFIP case must remain closed for a minimum of one full month. Before the
 507.25 case is closed, the county agency must review the participant's case to determine if the
 507.26 employment plan is still appropriate and attempt to meet with the participant face-to-face.
 507.27 The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting
 507.28 is not conducted, the county agency must send the participant a written notice that includes
 507.29 the information required under clause (1).

507.30 (1) During the face-to-face meeting, the county agency must:

507.31 (i) determine whether the continued noncompliance can be explained and mitigated by
 507.32 providing a needed preemployment activity, as defined in section 256J.49, subdivision 13,
 507.33 clause (9);

507.34 (ii) determine whether the participant qualifies for a good cause exception under section
 507.35 256J.57, or if the sanction is for noncooperation with child support requirements, determine

508.1 if the participant qualifies for a good cause exemption under section 256.741, subdivision
508.2 10;

508.3 (iii) determine whether the work activities in the employment plan are appropriate based
508.4 on the criteria in section 256J.521, subdivision 2 or 3;

508.5 (iv) determine whether the participant qualifies for the family violence waiver;

508.6 (v) inform the participant of the participant's sanction status and explain the consequences
508.7 of continuing noncompliance;

508.8 (vi) identify other resources that may be available to the participant to meet the needs
508.9 of the family; and

508.10 (vii) inform the participant of the right to appeal under section 256J.40.

508.11 (2) If the lack of an identified activity or service can explain the noncompliance, the
508.12 county must work with the participant to provide the identified activity.

508.13 (3) The grant must be restored to the full amount for which the assistance unit is eligible
508.14 retroactively to the first day of the month in which the participant was found to lack
508.15 preemployment activities or to qualify for a family violence waiver or for a good cause
508.16 exemption under section 256.741, subdivision 10, or 256J.57.

508.17 (e) For the purpose of applying sanctions under this section, only consecutive occurrences
508.18 of noncompliance that occur ~~after July 1, 2003~~ on or after May 1, 2026, shall be considered
508.19 when counting the number of sanction occurrences under this subdivision. Active cases
508.20 under sanction on May 1, 2026, shall be considered to have one sanction occurrence. If the
508.21 ~~participant is in 30 percent sanction in the month this section takes effect, that month counts~~
508.22 ~~as the first occurrence for purposes of applying the sanctions under this section, but the~~
508.23 ~~sanction shall remain at 30 percent for that month~~ comes into compliance, the assistance
508.24 unit is considered to have zero sanctions.

508.25 (f) An assistance unit whose case is closed under paragraph (d) or (g), may reapply for
508.26 MFIP using a form prescribed by the commissioner and shall be eligible if the participant
508.27 complies with MFIP program requirements and demonstrates compliance for up to one
508.28 month. No assistance shall be paid during this period. The county agency shall not start a
508.29 new certification period for a participant who has submitted the reapplication form within
508.30 30 calendar days of case closure. The county agency must process the form according to
508.31 section 256P.04, except that the county agency shall not require additional verification of
508.32 information in the case file unless the information is inaccurate, questionable, or no longer

509.1 current. If a participant does not reapply for MFIP within 30 calendar days of case closure,
509.2 a new application must be completed.

509.3 (g) An assistance unit whose case has been closed for noncompliance; that reapplies
509.4 under paragraph (f); is subject to sanction under paragraph (c), ~~clause (2), for a first~~
509.5 ~~occurrence of noncompliance. Any subsequent occurrence of noncompliance shall result~~
509.6 ~~in~~ and case closure under paragraph (d).

509.7 (h) If an assistance unit is in compliance by the 15th of the month in which the assistance
509.8 unit has a sanction imposed, the reduction to the assistance unit's cash grant shall be restored
509.9 retroactively for the current month and the sanction occurrences shall be equal to zero.

509.10 **EFFECTIVE DATE.** This section is effective May 1, 2026.

509.11 Sec. 60. Minnesota Statutes 2022, section 256J.46, subdivision 2, is amended to read:

509.12 Subd. 2. **Sanctions for refusal to cooperate with support requirements.** The grant of
509.13 an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement
509.14 agency, with support requirements under section 256.741, shall be subject to sanction as
509.15 specified in this subdivision and subdivision 1. ~~For a first occurrence of noncooperation,~~
509.16 ~~the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard~~
509.17 ~~of need. Subsequent occurrences of noncooperation shall be subject to sanction under~~
509.18 ~~subdivision 1, paragraphs (c), clause (2), and (d), paragraphs (b) to (h), except the assistance~~
509.19 unit's cash portion of the grant must be reduced by 25 percent of the MFIP cash received
509.20 by the assistance unit. The residual amount of the grant, if any, must be paid to the caregiver.
509.21 A sanction under this subdivision becomes effective the first month following the month
509.22 in which a required notice is given. A sanction must not be imposed when a caregiver comes
509.23 into compliance with the requirements under section 256.741 prior to the effective date of
509.24 the sanction. The sanction shall be removed in the month following the month that the
509.25 caregiver cooperates with the support requirements, unless the requirements in subdivision
509.26 1, paragraph (h), are met. Each month that an MFIP caregiver fails to comply with the
509.27 requirements of section 256.741 must be considered a separate occurrence of noncompliance
509.28 for the purpose of applying sanctions under subdivision 1, paragraphs (c), ~~clause (2), and~~
509.29 (d).

509.30 **EFFECTIVE DATE.** This section is effective May 1, 2026.

510.1 Sec. 61. Minnesota Statutes 2022, section 256J.46, subdivision 2a, is amended to read:

510.2 Subd. 2a. **Dual sanctions.** (a) Notwithstanding the provisions of subdivisions 1 and 2,
510.3 for a participant subject to a sanction for refusal to comply with child support requirements
510.4 under subdivision 2 and subject to a concurrent sanction for refusal to cooperate with other
510.5 program requirements under subdivision 1, sanctions shall be imposed in the manner
510.6 prescribed in this subdivision.

510.7 ~~Any vendor payment of shelter costs or utilities under this subdivision must remain in~~
510.8 ~~effect for six months after the month in which the participant is no longer subject to sanction~~
510.9 ~~under subdivision 1.~~

510.10 ~~(b) If the participant was subject to sanction for:~~

510.11 ~~(1) noncompliance under subdivision 1 before being subject to sanction for~~
510.12 ~~noncooperation under subdivision 2; or~~

510.13 ~~(2) noncooperation under subdivision 2 before being subject to sanction for~~
510.14 ~~noncompliance under subdivision 1, the participant is considered to have a second occurrence~~
510.15 ~~of noncompliance and shall be sanctioned as provided in subdivision 1, paragraph (c), clause~~
510.16 ~~(2). Each subsequent occurrence of noncompliance shall be considered one additional~~
510.17 ~~occurrence and shall be subject to the applicable level of sanction under subdivision 1. The~~
510.18 ~~requirement that the county conduct a review as specified in subdivision 1, paragraph (d),~~
510.19 ~~remains in effect.~~

510.20 ~~(e)~~ (b) A participant who first becomes subject to sanction under both subdivisions 1
510.21 and 2 in the same month is subject to sanction as follows:

510.22 (1) in the first month of noncompliance and noncooperation, the participant's cash portion
510.23 of the grant must be reduced by ~~30~~ 25 percent of the applicable MFIP standard of need cash
510.24 received by the assistance unit, with any residual amount paid to the participant;

510.25 (2) in the second and subsequent months of noncompliance and noncooperation, the
510.26 participant shall be subject to the applicable level of sanction under subdivision ~~1~~ 2.

510.27 The requirement that the county conduct a review as specified in subdivision 1, paragraph
510.28 (d), remains in effect.

510.29 ~~(d)~~ (c) A participant remains subject to sanction under subdivision 2 if the participant:

510.30 (1) returns to compliance and is no longer subject to sanction for noncompliance with
510.31 section 256J.45 or sections 256J.515 to 256J.57; or

511.1 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to
511.2 256J.57 removed upon completion of the review under subdivision 1, paragraph ~~(e)~~ (d).

511.3 A participant remains subject to the applicable level of sanction under subdivision 1 if
511.4 the participant cooperates and is no longer subject to sanction under subdivision 2.

511.5 **EFFECTIVE DATE.** This section is effective May 1, 2026.

511.6 Sec. 62. Minnesota Statutes 2022, section 256J.49, subdivision 9, is amended to read:

511.7 Subd. 9. **Participant.** "Participant" means a recipient of MFIP assistance who participates
511.8 or is required to participate in employment and training services under sections 256J.515
511.9 to 256J.57 ~~and 256J.95~~.

511.10 **EFFECTIVE DATE.** This section is effective March 1, 2026.

511.11 Sec. 63. Minnesota Statutes 2022, section 256J.50, subdivision 1, is amended to read:

511.12 Subdivision 1. **Employment and training services component of MFIP.** (a) Each
511.13 county must develop and provide an employment and training services component which
511.14 is designed to put participants on the most direct path to unsubsidized employment.

511.15 Participation in these services is mandatory for all MFIP caregivers.

511.16 (b) A county must provide employment and training services under sections 256J.515
511.17 to 256J.74 within 30 days after the caregiver is determined eligible for MFIP, ~~or within ten~~
511.18 ~~days when the caregiver participated in the diversionary work program under section 256J.95~~
511.19 ~~within the past 12 months.~~

511.20 **EFFECTIVE DATE.** This section is effective March 1, 2026.

511.21 Sec. 64. Minnesota Statutes 2022, section 256J.521, subdivision 1, is amended to read:

511.22 Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment
511.23 is a continuing process of gathering information related to employability for the purpose of
511.24 identifying both participant's strengths and strategies for coping with issues that interfere
511.25 with employment. The job counselor must use information from the assessment process to
511.26 develop and update the employment plan under subdivision 2 or 3, as appropriate, to
511.27 determine whether the participant qualifies for a family violence waiver including an
511.28 employment plan under subdivision 3, and to determine whether the participant should be
511.29 referred to family stabilization services under section 256J.575.

511.30 (b) The scope of assessment must cover at least the following areas:

512.1 (1) basic information about the participant's ability to obtain and retain employment,
512.2 including: a review of the participant's education level; interests, skills, and abilities; prior
512.3 employment or work experience; transferable work skills; child care and transportation
512.4 needs;

512.5 (2) identification of personal and family circumstances that impact the participant's
512.6 ability to obtain and retain employment, including: any special needs of the children, the
512.7 level of English proficiency, family violence issues, and any involvement with social services
512.8 or the legal system;

512.9 (3) the results of a mental and chemical health screening tool designed by the
512.10 commissioner and results of the brief screening tool for special learning needs. Screening
512.11 tools for mental and chemical health and special learning needs must be approved by the
512.12 commissioner and may only be administered by job counselors or county staff trained in
512.13 using such screening tools. Participants must be told of the purpose of the screens and how
512.14 the information will be used to assist the participant in identifying and overcoming barriers
512.15 to employment. Screening for mental and chemical health and special learning needs must
512.16 be completed by participants three months after development of the initial employment plan
512.17 or earlier if there is a documented need. Failure to complete the screens will result in sanction
512.18 under section 256J.46; and

512.19 (4) a comprehensive review of participation and progress for participants who have
512.20 received MFIP assistance and have not worked in unsubsidized employment during the past
512.21 12 months. The purpose of the review is to determine the need for additional services and
512.22 supports, including placement in subsidized employment or unpaid work experience under
512.23 section 256J.49, subdivision 13, or referral to family stabilization services under section
512.24 256J.575.

512.25 ~~(e) Information gathered during a caregiver's participation in the diversionary work~~
512.26 ~~program under section 256J.95 must be incorporated into the assessment process.~~

512.27 ~~(d)~~ (c) The job counselor may require the participant to complete a professional chemical
512.28 use assessment to be performed according to the rules adopted under section 254A.03,
512.29 subdivision 3, including provisions in the administrative rules which recognize the cultural
512.30 background of the participant, or a professional psychological assessment as a component
512.31 of the assessment process, when the job counselor has a reasonable belief, based on objective
512.32 evidence, that a participant's ability to obtain and retain suitable employment is impaired
512.33 by a medical condition. The job counselor may assist the participant with arranging services,
512.34 including child care assistance and transportation, necessary to meet needs identified by the

513.1 assessment. Data gathered as part of a professional assessment must be classified and
513.2 disclosed according to the provisions in section 13.46.

513.3 **EFFECTIVE DATE.** This section is effective March 1, 2026.

513.4 Sec. 65. Minnesota Statutes 2022, section 256J.621, subdivision 1, is amended to read:

513.5 Subdivision 1. **Program characteristics.** (a) Within 30 days of exiting the Minnesota
513.6 family investment program with earnings, the county must assess eligibility for work
513.7 participation cash benefits of \$25 per month to assist in meeting the family's basic needs as
513.8 the participant continues to move toward self-sufficiency. Payment begins effective the first
513.9 of the month following exit or termination for MFIP ~~and DWP~~ participants.

513.10 (b) To be eligible for work participation cash benefits, the participant shall not receive
513.11 MFIP ~~or diversionary work program~~ assistance during the month and the participant or
513.12 participants must meet the following work requirements:

513.13 (1) if the participant is a single caregiver and has a child under six years of age, the
513.14 participant must be employed at least 87 hours per month;

513.15 (2) if the participant is a single caregiver and does not have a child under six years of
513.16 age, the participant must be employed at least 130 hours per month; or

513.17 (3) if the household is a two-parent family, at least one of the parents must be employed
513.18 130 hours per month.

513.19 Whenever a participant ~~exits the diversionary work program or~~ is terminated from MFIP
513.20 and meets the other criteria in this section, work participation cash benefits are available
513.21 for up to 24 consecutive months.

513.22 (c) Expenditures on the program are maintenance of effort state funds under a separate
513.23 state program for participants under paragraph (b), clauses (1) and (2). Expenditures for
513.24 participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in
513.25 which a participant receives work participation cash benefits under this section do not count
513.26 toward the participant's MFIP 60-month time limit.

513.27 **EFFECTIVE DATE.** This section is effective March 1, 2026.

513.28 Sec. 66. Minnesota Statutes 2022, section 256J.626, subdivision 2, is amended to read:

513.29 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures
513.30 under the consolidated fund to benefits and services allowed under title IV-A of the federal

514.1 Social Security Act. Allowable expenditures under the consolidated fund may include, but
514.2 are not limited to:

514.3 (1) short-term, nonrecurring shelter and utility needs that are excluded from the definition
514.4 of assistance under Code of Federal Regulations, title 45, section 260.31, for families who
514.5 meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under
514.6 this subdivision are not considered TANF cash assistance and are not counted towards the
514.7 60-month time limit;

514.8 (2) transportation needed to obtain or retain employment or to participate in other
514.9 approved work activities or activities under a family stabilization plan;

514.10 (3) direct and administrative costs of staff to deliver employment services for MFIP, ~~the~~
514.11 ~~diversionary work program~~, or family stabilization services; to administer financial assistance;
514.12 and to provide specialized services intended to assist hard-to-employ participants to transition
514.13 to work or transition from family stabilization services to MFIP;

514.14 (4) costs of education and training including functional work literacy and English as a
514.15 second language;

514.16 (5) cost of work supports including tools, clothing, boots, telephone service, and other
514.17 work-related expenses;

514.18 (6) county administrative expenses as defined in Code of Federal Regulations, title 45,
514.19 section 260(b);

514.20 (7) services to parenting and pregnant teens;

514.21 (8) supported work;

514.22 (9) wage subsidies;

514.23 (10) child care needed for MFIP, ~~the diversionary work program~~, or family stabilization
514.24 services participants to participate in social services;

514.25 (11) child care to ensure that families leaving MFIP ~~or diversionary work program~~ will
514.26 continue to receive child care assistance from the time the family no longer qualifies for
514.27 transition year child care until an opening occurs under the basic sliding fee child care
514.28 program;

514.29 (12) services to help noncustodial parents who live in Minnesota and have minor children
514.30 receiving MFIP ~~or DWP~~ assistance, but do not live in the same household as the child,
514.31 obtain or retain employment; and

515.1 (13) services to help families participating in family stabilization services achieve the
515.2 greatest possible degree of self-sufficiency.

515.3 (b) Administrative costs that are not matched with county funds as provided in subdivision
515.4 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this
515.5 section. The commissioner shall define administrative costs for purposes of this subdivision.

515.6 (c) The commissioner may waive the cap on administrative costs for a county or tribe
515.7 that elects to provide an approved supported employment, unpaid work, or community work
515.8 experience program for a major segment of the county's or tribe's MFIP population. The
515.9 county or tribe must apply for the waiver on forms provided by the commissioner. In no
515.10 case shall total administrative costs exceed the TANF limits.

515.11 **EFFECTIVE DATE.** This section is effective March 1, 2026.

515.12 Sec. 67. Minnesota Statutes 2022, section 256J.626, subdivision 3, is amended to read:

515.13 Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a
515.14 noncustodial parent of a minor child receiving assistance, with incomes below 200 percent
515.15 of the federal poverty guideline for a family of the applicable size, are eligible for services
515.16 funded under the consolidated fund. Counties and tribes must give priority to families
515.17 currently receiving MFIP, ~~the diversionary work program~~, or family stabilization services;
515.18 and families at risk of receiving MFIP ~~or diversionary work program~~. A county or tribe
515.19 shall not impose a residency requirement on families, except for the residency requirement
515.20 under section 256J.12.

515.21 **EFFECTIVE DATE.** This section is effective March 1, 2026.

515.22 Sec. 68. Minnesota Statutes 2022, section 256J.751, subdivision 2, is amended to read:

515.23 Subd. 2. **Quarterly comparison report.** (a) The commissioner shall report quarterly to
515.24 all counties on each county's performance on the following measures:

515.25 (1) percent of MFIP caseload working in paid employment;

515.26 (2) percent of MFIP caseload receiving only the food portion of assistance;

515.27 (3) number of MFIP cases that have left assistance;

515.28 (4) median placement wage rate;

515.29 (5) caseload by months of TANF assistance;

516.1 (6) percent of MFIP ~~and diversionary work program (DWP)~~ cases off cash assistance
 516.2 or working 30 or more hours per week at one-year, two-year, and three-year follow-up
 516.3 points from a baseline quarter. This measure is called the self-support index. The
 516.4 commissioner shall report quarterly an expected range of performance for each county,
 516.5 county grouping, and tribe on the self-support index. The expected range shall be derived
 516.6 by a statistical methodology developed by the commissioner in consultation with the counties
 516.7 and tribes. The statistical methodology shall control differences across counties in economic
 516.8 conditions and demographics of the MFIP ~~and DWP~~ case load; and

516.9 (7) the TANF work participation rate, defined as the participation requirements specified
 516.10 under Public Law 109-171, the Deficit Reduction Act of 2005.

516.11 (b) The commissioner shall not apply the limits on vocational educational training and
 516.12 education activities under Code of Federal Regulations, title 45, section 261.33(c), when
 516.13 determining TANF work participation rates for individual counties under this subdivision.

516.14 **EFFECTIVE DATE.** This section is effective March 1, 2026.

516.15 Sec. 69. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
 516.16 to read:

516.17 **Subd. 2b. Census income.** "Census income" means income earned working as a census
 516.18 enumerator or decennial census worker responsible for recording the housing units and
 516.19 residents in a specific geographic area.

516.20 Sec. 70. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
 516.21 to read:

516.22 **Subd. 5a. Lived-experience engagement.** "Lived-experience engagement" means an
 516.23 intentional engagement of people with lived experience by a federal, Tribal, state, county,
 516.24 municipal, or nonprofit human services agency funded in part or in whole by federal, state,
 516.25 local government, Tribal Nation, public, private, or philanthropic money to gather and share
 516.26 feedback on the impact of human services programs.

516.27 **EFFECTIVE DATE.** This section is effective August 1, 2023.

516.28 Sec. 71. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
 516.29 to read:

516.30 **Subd. 9. Prospective budgeting.** "Prospective budgeting" means estimating the amount
 516.31 of monthly income that an assistance unit will have in the payment month.

517.1 **EFFECTIVE DATE.** This section is effective March 1, 2025.

517.2 Sec. 72. Minnesota Statutes 2022, section 256P.02, subdivision 1a, is amended to read:

517.3 Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs under
517.4 chapter 119B are exempt from this section, except that the personal property identified in
517.5 subdivision 2 is counted toward the asset limit of the child care assistance program under
517.6 chapter 119B. Census income is not counted toward the asset limit of the child care assistance
517.7 program under chapter 119B.

517.8 Sec. 73. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

517.9 Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal
517.10 property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants.
517.11 For purposes of this subdivision, personal property is limited to:

517.12 (1) cash not excluded under subdivisions 4 and 6;

517.13 (2) bank accounts not excluded under subdivision 5;

517.14 (3) liquid stocks and bonds that can be readily accessed without a financial penalty;

517.15 (4) vehicles not excluded under subdivision 3; and

517.16 (5) the full value of business accounts used to pay expenses not related to the business.

517.17 **EFFECTIVE DATE.** The amendment to clause (1) referencing subdivision 4 is effective
517.18 August 1, 2023.

517.19 Sec. 74. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
517.20 to read:

517.21 Subd. 4. **Health and human services recipient engagement income.** Income received
517.22 from lived-experience engagement, as defined in section 256P.01, subdivision 5a, shall be
517.23 excluded when determining the equity value of personal property.

517.24 **EFFECTIVE DATE.** This section is effective August 1, 2023.

517.25 Sec. 75. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
517.26 to read:

517.27 Subd. 5. **Account exception.** Family asset accounts under section 256E.35 and individual
517.28 development accounts authorized under the Assets for Independence Act, Title IV of the
517.29 Community Opportunities, Accountability, and Training and Educational Services Human

518.1 Services Reauthorization Act of 1998, Public Law 105-285, shall be excluded when
 518.2 determining the equity value of personal property.

518.3 Sec. 76. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision
 518.4 to read:

518.5 Subd. 6. **Census income.** Census income is excluded when determining the equity value
 518.6 of personal property.

518.7 Sec. 77. Minnesota Statutes 2022, section 256P.04, subdivision 4, is amended to read:

518.8 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

518.9 (1) identity of adults;

518.10 (2) age, if necessary to determine eligibility;

518.11 (3) immigration status;

518.12 (4) income;

518.13 (5) spousal support and child support payments made to persons outside the household;

518.14 (6) vehicles;

518.15 (7) checking and savings accounts, including but not limited to any business accounts
 518.16 used to pay expenses not related to the business;

518.17 (8) inconsistent information, if related to eligibility;

518.18 (9) residence; and

518.19 (10) Social Security number; ~~and~~.

518.20 ~~(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item~~
 518.21 ~~(ix), for the intended purpose for which it was given and received.~~

518.22 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
 518.23 under section 256J.08, subdivision 73, clauses (8) and (9), are not required to verify the
 518.24 information in paragraph (a), clause (10). When a Social Security number is not provided
 518.25 to the agency for verification, this requirement is satisfied when each member of the
 518.26 assistance unit cooperates with the procedures for verification of Social Security numbers,
 518.27 issuance of duplicate cards, and issuance of new numbers which have been established
 518.28 jointly between the Social Security Administration and the commissioner.

518.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

519.1 Sec. 78. Minnesota Statutes 2022, section 256P.04, subdivision 8, is amended to read:

519.2 Subd. 8. **Recertification.** The agency shall recertify eligibility annually. During
519.3 recertification and reporting under section 256P.10, the agency shall verify the following:

519.4 (1) income, unless excluded, including self-employment earnings;

519.5 (2) assets when the value is within \$200 of the asset limit; and

519.6 (3) inconsistent information, if related to eligibility.

519.7 **EFFECTIVE DATE.** This section is effective March 1, 2025.

519.8 Sec. 79. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

519.9 Subd. 3. **Income inclusions.** The following must be included in determining the income
519.10 of an assistance unit:

519.11 (1) earned income; and

519.12 (2) unearned income, which includes:

519.13 (i) interest and dividends from investments and savings;

519.14 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

519.15 (iii) proceeds from rent and contract for deed payments in excess of the principal and
519.16 interest portion owed on property;

519.17 (iv) income from trusts, excluding special needs and supplemental needs trusts;

519.18 (v) interest income from loans made by the participant or household;

519.19 (vi) cash prizes and winnings;

519.20 (vii) unemployment insurance income that is received by an adult member of the

519.21 assistance unit unless the individual receiving unemployment insurance income is:

519.22 (A) 18 years of age and enrolled in a secondary school; or

519.23 (B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

519.24 (viii) for the purposes of programs under chapters 256D and 256I, retirement, survivors,
519.25 and disability insurance payments;

519.26 (ix) ~~nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A)~~

519.27 ~~from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or~~

519.28 ~~refund of personal or real property or costs or losses incurred when these payments are~~

519.29 ~~made by: a public agency; a court; solicitations through public appeal; a federal, state, or~~

520.1 ~~local unit of government; or a disaster assistance organization; (C) provided as an in-kind~~
 520.2 ~~benefit; or (D) earmarked and used for the purpose for which it was intended, subject to~~
 520.3 ~~verification requirements under section 256P.04;~~

520.4 ~~(x)~~ retirement benefits;

520.5 ~~(xi)~~ (x) cash assistance benefits, as defined by each program in chapters 119B, 256D,
 520.6 256I, and 256J;

520.7 ~~(xii) Tribal per capita payments unless excluded by federal and state law;~~

520.8 ~~(xiii)~~ (xi) income from members of the United States armed forces unless excluded from
 520.9 income taxes according to federal or state law;

520.10 ~~(xiv)~~ (xii) for the purposes of programs under chapters 119B, 256D, and 256I, all child
 520.11 support payments ~~for programs under chapters 119B, 256D, and 256I;~~

520.12 ~~(xv)~~ (xiii) for the purposes of programs under chapter 256J, the amount of child support
 520.13 received that exceeds \$100 for assistance units with one child and \$200 for assistance units
 520.14 with two or more children ~~for programs under chapter 256J;~~

520.15 ~~(xvi)~~ (xiv) spousal support; ~~and~~

520.16 ~~(xvii)~~ (xv) workers' compensation; ~~and~~

520.17 (xvi) for the purposes of programs under chapters 119B and 256J, the amount of
 520.18 retirement, survivors, and disability insurance payments that exceeds the applicable monthly
 520.19 federal maximum Supplemental Security Income payments.

520.20 **EFFECTIVE DATE.** This section is effective September 1, 2024, except the removal
 520.21 of item (ix) related to nonrecurring income is effective July 1, 2024, and the removal of
 520.22 item (xii) related to Tribal per capita payments are effective January 1, 2024.

520.23 Sec. 80. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision
 520.24 to read:

520.25 Subd. 4. **Recipient engagement income.** Income received from lived-experience
 520.26 engagement, as defined in section 256P.01, subdivision 5a, must not be counted as income
 520.27 for purposes of determining or redetermining eligibility or benefits.

520.28 **EFFECTIVE DATE.** This section is effective August 1, 2023.

521.1 Sec. 81. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision
521.2 to read:

521.3 Subd. 5. **Census income.** Census income does not count as income for purposes of
521.4 determining or redetermining eligibility or benefits.

521.5 Sec. 82. Minnesota Statutes 2022, section 256P.07, subdivision 1, is amended to read:

521.6 Subdivision 1. **Exempted programs.** Participants who receive Supplemental Security
521.7 Income and qualify for Minnesota supplemental aid under chapter 256D and or for housing
521.8 support under chapter 256I on the basis of eligibility for Supplemental Security Income are
521.9 exempt from ~~this section~~ reporting income under this chapter.

521.10 **EFFECTIVE DATE.** This section is effective March 1, 2025.

521.11 Sec. 83. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
521.12 to read:

521.13 Subd. 1a. **Child care assistance programs.** Participants who qualify for child care
521.14 assistance programs under chapter 119B are exempt from this section except the reporting
521.15 requirements in subdivision 6.

521.16 **EFFECTIVE DATE.** This section is effective March 1, 2025.

521.17 Sec. 84. Minnesota Statutes 2022, section 256P.07, subdivision 2, is amended to read:

521.18 Subd. 2. **Reporting requirements.** An applicant or participant must provide information
521.19 on an application and any subsequent reporting forms about the assistance unit's
521.20 circumstances that affect eligibility or benefits. An applicant or assistance unit must report
521.21 changes that affect eligibility or benefits as identified in ~~subdivision~~ subdivisions 3, 4, 5,
521.22 7, 8, and 9 during the application period or by the tenth of the month following the month
521.23 that the assistance unit's circumstances changed. When information is not accurately reported,
521.24 both an overpayment and a referral for a fraud investigation may result. When information
521.25 or documentation is not provided, the receipt of any benefit may be delayed or denied,
521.26 depending on the type of information required and its effect on eligibility.

521.27 **EFFECTIVE DATE.** This section is effective March 1, 2025.

521.28 Sec. 85. Minnesota Statutes 2022, section 256P.07, subdivision 3, is amended to read:

521.29 Subd. 3. **Changes that must be reported.** ~~An assistance unit must report the changes~~
521.30 ~~or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur,~~

522.1 ~~at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or~~
522.2 ~~within eight calendar days of a reporting period, whichever occurs first. An assistance unit~~
522.3 ~~must report other changes at the time of recertification of eligibility under section 256P.04,~~
522.4 ~~subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency~~
522.5 ~~could have reduced or terminated assistance for one or more payment months if a delay in~~
522.6 ~~reporting a change specified under clauses (1) to (12) had not occurred, the agency must~~
522.7 ~~determine whether a timely notice could have been issued on the day that the change~~
522.8 ~~occurred. When a timely notice could have been issued, each month's overpayment~~
522.9 ~~subsequent to that notice must be considered a client error overpayment under section~~
522.10 ~~119B.11, subdivision 2a, or 256P.08. Changes in circumstances that must be reported within~~
522.11 ~~ten days must also be reported for the reporting period in which those changes occurred.~~
522.12 ~~Within ten days, an assistance unit must report:~~

522.13 ~~(1) a change in earned income of \$100 per month or greater with the exception of a~~
522.14 ~~program under chapter 119B;~~

522.15 ~~(2) a change in unearned income of \$50 per month or greater with the exception of a~~
522.16 ~~program under chapter 119B;~~

522.17 ~~(3) a change in employment status and hours with the exception of a program under~~
522.18 ~~chapter 119B;~~

522.19 ~~(4) a change in address or residence;~~

522.20 ~~(5) a change in household composition with the exception of programs under chapter~~
522.21 ~~256I;~~

522.22 ~~(6) a receipt of a lump-sum payment with the exception of a program under chapter~~
522.23 ~~119B;~~

522.24 ~~(7) an increase in assets if over \$9,000 with the exception of programs under chapter~~
522.25 ~~119B;~~

522.26 ~~(8) a change in citizenship or immigration status;~~

522.27 ~~(9) a change in family status with the exception of programs under chapter 256I;~~

522.28 ~~(10) a change in disability status of a unit member, with the exception of programs under~~
522.29 ~~chapter 119B;~~

522.30 ~~(11) a new rent subsidy or a change in rent subsidy with the exception of a program~~
522.31 ~~under chapter 119B; and~~

523.1 ~~(12) a sale, purchase, or transfer of real property with the exception of a program under~~
 523.2 ~~chapter 119B.~~

523.3 (a) An assistance unit must report changes or anticipated changes as described in this
 523.4 section.

523.5 (b) An assistance unit must report:

523.6 (1) a change in eligibility for Supplemental Security Income, Retirement Survivors
 523.7 Disability Insurance, or another federal income support;

523.8 (2) a change in address or residence;

523.9 (3) a change in household composition with the exception of programs under chapter
 523.10 256I;

523.11 (4) cash prizes and winnings according to guidance provided for the Supplemental
 523.12 Nutrition Assistance Program;

523.13 (5) a change in citizenship or immigration status;

523.14 (6) a change in family status with the exception of programs under chapter 256I; and

523.15 (7) a change that makes the value of the assistance unit's assets at or above the asset
 523.16 limit.

523.17 (c) When an agency could have reduced or terminated assistance for one or more payment
 523.18 months if a delay in reporting a change specified under paragraph (b) had not occurred, the
 523.19 agency must determine whether the agency could have issued a timely notice on the day
 523.20 that the change occurred. When a timely notice could have been issued, each month's
 523.21 overpayment subsequent to the notice must be considered a client error overpayment under
 523.22 section 256P.08.

523.23 **EFFECTIVE DATE.** This section is effective March 1, 2025, except that the amendment
 523.24 striking clause (6) is effective July 1, 2024.

523.25 Sec. 86. Minnesota Statutes 2022, section 256P.07, subdivision 4, is amended to read:

523.26 Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under
 523.27 chapter 256J, ~~within ten days of the change,~~ must report:

523.28 (1) a pregnancy not resulting in birth when there are no other minor children; ~~and~~

523.29 (2) a change in school attendance of a parent under 20 years of age ~~or of an employed~~
 523.30 ~~child;~~ and

524.1 (3) an individual in the household who is 18 or 19 years of age attending high school
 524.2 who graduates or drops out of school.

524.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

524.4 Sec. 87. Minnesota Statutes 2022, section 256P.07, subdivision 6, is amended to read:

524.5 Subd. 6. **Child care assistance programs-specific reporting.** (a) ~~In addition to~~
 524.6 ~~subdivision 3,~~ An assistance unit under chapter 119B, within ten days of the change, must
 524.7 report:

524.8 (1) a change in a parentally responsible individual's custody schedule for any child
 524.9 receiving child care assistance program benefits;

524.10 (2) a permanent end in a parentally responsible individual's authorized activity; ~~and~~

524.11 (3) if the unit's family's annual included income exceeds 85 percent of the state median
 524.12 income, adjusted for family size;

524.13 (4) a change in address or residence;

524.14 (5) a change in household composition;

524.15 (6) a change in citizenship or immigration status; and

524.16 (7) a change in family status.

524.17 (b) An assistance unit subject to section 119B.095, subdivision 1, paragraph (b), must
 524.18 report a change in the unit's authorized activity status.

524.19 (c) An assistance unit must notify the county when the unit wants to reduce the number
 524.20 of authorized hours for children in the unit.

524.21 **EFFECTIVE DATE.** This section is effective March 1, 2025.

524.22 Sec. 88. Minnesota Statutes 2022, section 256P.07, subdivision 7, is amended to read:

524.23 Subd. 7. **Minnesota supplemental aid-specific reporting.** (a) In addition to subdivision
 524.24 3, an assistance unit participating in the Minnesota supplemental aid program under ~~section~~
 524.25 ~~256D.44, subdivision 5, paragraph (g), within ten days of the change, chapter 256D and not~~
 524.26 receiving Supplemental Security Income must report ~~shelter expenses.:~~

524.27 (1) a change in unearned income of \$50 per month or greater; and

524.28 (2) a change in earned income of \$100 per month or greater.

525.1 (b) An assistance unit receiving housing assistance under section 256D.44, subdivision
525.2 5, paragraph (g), including an assistance unit that also receives Supplemental Security
525.3 Income, must report:

525.4 (1) a change in shelter expenses; and

525.5 (2) a new rent subsidy or a change in rent subsidy.

525.6 **EFFECTIVE DATE.** This section is effective March 1, 2025.

525.7 Sec. 89. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
525.8 to read:

525.9 **Subd. 8. Housing support-specific reporting.** (a) In addition to subdivision 3, an
525.10 assistance unit participating in the housing support program under chapter 256I and not
525.11 receiving Supplemental Security Income must report:

525.12 (1) a change in unearned income of \$50 per month or greater; and

525.13 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
525.14 is already subject to six-month reporting requirements in section 256P.10.

525.15 (b) Notwithstanding the exemptions in subdivisions 1 and 3, an assistance unit receiving
525.16 housing support under chapter 256I, including an assistance unit that receives Supplemental
525.17 Security Income, must report:

525.18 (1) a new rent subsidy or a change in rent subsidy;

525.19 (2) a change in the disability status of a unit member; and

525.20 (3) a change in household composition if the assistance unit is a participant in housing
525.21 support under section 256I.04, subdivision 3, paragraph (a), clause (3).

525.22 **EFFECTIVE DATE.** This section is effective March 1, 2025.

525.23 Sec. 90. Minnesota Statutes 2022, section 256P.07, is amended by adding a subdivision
525.24 to read:

525.25 **Subd. 9. General assistance-specific reporting.** In addition to subdivision 3, an
525.26 assistance unit participating in the general assistance program under chapter 256D must
525.27 report:

525.28 (1) a change in unearned income of \$50 per month or greater;

525.29 (2) a change in earned income of \$100 per month or greater, unless the assistance unit
525.30 is already subject to six-month reporting requirements in section 256P.10; and

526.1 (3) changes in any condition that would result in the loss of basis for eligibility in section
526.2 256D.05, subdivision 1, paragraph (a).

526.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

526.4 Sec. 91. **[256P.09] PROSPECTIVE BUDGETING OF BENEFITS.**

526.5 Subdivision 1. **Exempted programs.** Assistance units that qualify for child care
526.6 assistance programs under chapter 119B, assistance units that receive housing support under
526.7 chapter 256I and are not subject to reporting under section 256P.10, and assistance units
526.8 that qualify for Minnesota supplemental aid under chapter 256D are exempt from this
526.9 section.

526.10 Subd. 2. **Prospective budgeting of benefits.** An agency subject to this chapter must use
526.11 prospective budgeting to calculate the assistance payment amount.

526.12 Subd. 3. **Initial income.** For the purpose of determining an assistance unit's level of
526.13 benefits, an agency must take into account the income already received by the assistance
526.14 unit during or anticipated to be received during the application period. Income anticipated
526.15 to be received only in the initial month of eligibility must only be counted in the initial
526.16 month.

526.17 Subd. 4. **Income determination.** An agency must use prospective budgeting to determine
526.18 the amount of the assistance unit's benefit for the eligibility period based on the best
526.19 information available at the time of approval. An agency shall only count anticipated income
526.20 when the participant and the agency are reasonably certain of the amount of the payment
526.21 and the month in which the payment will be received. If the exact amount of the income is
526.22 not known, the agency shall consider only the amounts that can be anticipated as income.

526.23 Subd. 5. **Income changes.** An increase in income shall not affect an assistance unit's
526.24 eligibility or benefit amount until the next review unless otherwise required to be reported
526.25 in section 256P.07. A decrease in income shall be effective on the date that the change
526.26 occurs if the change is reported by the tenth of the month following the month when the
526.27 change occurred. If the assistance unit does not report the change in income by the tenth of
526.28 the month following the month when the change occurred, the change in income shall be
526.29 effective on the date that the change was reported.

526.30 **EFFECTIVE DATE.** This section is effective March 1, 2025.

527.1 Sec. 92. **[256P.10] SIX-MONTH REPORTING.**

527.2 **Subdivision 1. Exempted programs.** Assistance units that qualify for child care
527.3 assistance programs under chapter 119B, assistance units that qualify for Minnesota
527.4 supplemental aid under chapter 256D, and assistance units that qualify for housing support
527.5 under chapter 256I and also receive Supplemental Security Income are exempt from this
527.6 section.

527.7 **Subd. 2. Reporting.** (a) Every six months, an assistance unit that qualifies for the
527.8 Minnesota family investment program under chapter 256J, an assistance unit that qualifies
527.9 for general assistance under chapter 256D with an earned income of \$100 per month or
527.10 greater, or an assistance unit that qualifies for housing support under chapter 256I with an
527.11 earned income of \$100 per month or greater is subject to six-month reviews. The initial
527.12 reporting period may be shorter than six months in order to align with other programs'
527.13 reporting periods.

527.14 (b) An assistance unit that qualifies for the Minnesota family investment program or an
527.15 assistance unit that qualifies for general assistance with an earned income of \$100 per month
527.16 or greater must complete household report forms as required by the commissioner for
527.17 redetermination of benefits.

527.18 (c) An assistance unit that qualifies for housing support with an earned income of \$100
527.19 per month or greater must complete household report forms as prescribed by the
527.20 commissioner to provide information about earned income.

527.21 (d) An assistance unit that qualifies for housing support and also receives assistance
527.22 through the Minnesota family investment program is subject to the requirements of this
527.23 section for purposes of the Minnesota family investment program but not for housing support.

527.24 (e) An assistance unit covered by this section must submit a household report form in
527.25 compliance with the provisions in section 256P.04, subdivision 11.

527.26 (f) An assistance unit covered by this section may choose to report changes under this
527.27 section at any time.

527.28 **Subd. 3. When to terminate assistance.** (a) An agency must terminate benefits when
527.29 the assistance unit fails to submit the household report form before the end of the six-month
527.30 review period. If the assistance unit submits the household report form within 30 days of
527.31 the termination of benefits and remains eligible, benefits must be reinstated and made
527.32 available retroactively for the full benefit month.

528.1 (b) When an assistance unit is determined to be ineligible for assistance according to
528.2 this section and chapter 256D, 256I, or 256J, the agency must terminate assistance.

528.3 **EFFECTIVE DATE.** This section is effective March 1, 2025.

528.4 Sec. 93. Minnesota Statutes 2022, section 261.063, is amended to read:

528.5 **261.063 TAX LEVY FOR SOCIAL SERVICES; BOARD DUTY; PENALTY.**

528.6 (a) The board of county commissioners of each county shall annually levy taxes and fix
528.7 a rate sufficient to produce the full amount required for poor relief, general assistance,
528.8 Minnesota family investment program, ~~diversionary work program~~, county share of county
528.9 and state supplemental aid to Supplemental Security Income applicants or recipients, and
528.10 any other Social Security measures wherein there is now or may hereafter be county
528.11 participation, sufficient to produce the full amount necessary for each such item, including
528.12 administrative expenses, for the ensuing year, within the time fixed by law in addition to
528.13 all other tax levies and tax rates, however fixed or determined, and any commissioner who
528.14 shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately
528.15 removed from office by the governor. For the purposes of this paragraph, "poor relief"
528.16 means county services provided under sections 261.035 and 261.21 to 261.231.

528.17 (b) Nothing within the provisions of this section shall be construed as requiring a county
528.18 agency to provide income support or cash assistance to needy persons when they are no
528.19 longer eligible for assistance under general assistance, chapter 256J, or Minnesota
528.20 supplemental aid.

528.21 **EFFECTIVE DATE.** This section is effective March 1, 2026.

528.22 Sec. 94. Minnesota Statutes 2022, section 514.972, subdivision 5, is amended to read:

528.23 **Subd. 5. Access to certain items.** (a) Any occupant may remove from the self-storage
528.24 facility personal papers and health aids upon demand made to any of the persons listed in
528.25 section 514.976, subdivision 1.

528.26 (b) An occupant who provides documentation from a government or nonprofit agency
528.27 or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal
528.28 aid services, or is a survivor of domestic violence or sexual assault may remove, in addition
528.29 to the items provided in paragraph (a), personal clothing of the occupant and the occupant's
528.30 dependents and tools of the trade that are necessary for the livelihood of the occupant that
528.31 has a market value not to exceed \$125 per item.

529.1 (c) The occupant shall present a list of the items and may remove the items during the
 529.2 facility's ordinary business hours prior to the sale authorized by section 514.973. If the
 529.3 owner unjustifiably denies the occupant access for the purpose of removing the items
 529.4 specified in this subdivision, the occupant is entitled to request relief from the court for an
 529.5 order allowing access to the storage space for removal of the specified items. The self-service
 529.6 storage facility is liable to the occupant for the costs, disbursements, and attorney fees
 529.7 expended by the occupant to obtain this order.

529.8 (d) For the purposes of this subdivision, "relief based on need" includes but is not limited
 529.9 to receipt of a benefit from the Minnesota family investment program ~~and diversionary~~
 529.10 ~~work program~~, medical assistance, general assistance, emergency general assistance,
 529.11 Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare,
 529.12 Supplemental Security Income, energy assistance, emergency assistance, Supplemental
 529.13 Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working
 529.14 family tax credit. Relief based on need can also be proven by providing documentation from
 529.15 a legal aid organization that the individual is receiving legal aid assistance, or by providing
 529.16 documentation from a government agency, nonprofit, or housing assistance program that
 529.17 the individual is receiving assistance due to domestic violence or sexual assault.

529.18 **EFFECTIVE DATE.** This section is effective March 1, 2026.

529.19 Sec. 95. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

529.20 Subd. 2. **Benefit eligibility.** (a) For general assistance benefits and Minnesota
 529.21 supplemental aid under chapter 256D, a person convicted of a felony-level drug offense
 529.22 after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security
 529.23 Income under chapter 256D until: during the previous ten years from the date of application
 529.24 or recertification may be subject to random drug testing. The county must provide information
 529.25 about substance use disorder treatment programs to a person who tests positive for an illegal
 529.26 controlled substance.

529.27 ~~(1) five years after completing the terms of a court-ordered sentence; or~~

529.28 ~~(2) unless the person is participating in a drug treatment program, has successfully~~
 529.29 ~~completed a program, or has been determined not to be in need of a drug treatment program.~~

529.30 ~~(b) A person who becomes eligible for assistance under chapter 256D is subject to~~
 529.31 ~~random drug testing and shall lose eligibility for benefits for five years beginning the month~~
 529.32 ~~following:~~

529.33 ~~(1) any positive test for an illegal controlled substance; or~~

530.1 ~~(2) discharge of sentence for conviction of another drug felony.~~

530.2 ~~(e)~~ (b) Parole violators and fleeing felons are ineligible for benefits and persons
530.3 fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

530.4 **EFFECTIVE DATE.** This section is effective August 1, 2023.

530.5 Sec. 96. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

530.6 Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for
530.7 benefits from the Minnesota family investment program or MFIP, the vehicle for temporary
530.8 assistance for needy families or TANF, and who has been convicted of a felony-level drug
530.9 offense ~~shall~~ may be subject to ~~certain conditions, including random drug testing, in order~~
530.10 ~~to receive MFIP benefits.~~ Following any positive test for a controlled substance, the ~~convicted~~
530.11 ~~applicant or participant is subject to the following sanctions:~~ county must provide information
530.12 about substance use disorder treatment programs to the applicant or participant.

530.13 ~~(1) a first time drug test failure results in a reduction of benefits in an amount equal to~~
530.14 ~~30 percent of the MFIP standard of need; and~~

530.15 ~~(2) a second time drug test failure results in permanent disqualification from receiving~~
530.16 ~~MFIP assistance.~~

530.17 ~~A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition~~
530.18 ~~Assistance Program (SNAP) benefits.~~

530.19 **EFFECTIVE DATE.** This section is effective August 1, 2023.

530.20 Sec. 97. **REVISOR INSTRUCTION.**

530.21 The revisor of statutes shall remove from Minnesota Statutes, sections 550.143,
530.22 subdivision 3c; 550.37, subdivision 14; 551.05, subdivision 1d; 571.72, subdivision 10;
530.23 571.912, subdivision 3; and 571.925, the terms "MFIP Diversionary Work Program" and
530.24 "MFIP diversionary work program." The revisor shall also make any necessary grammatical
530.25 changes related to the removal of terms.

530.26 **EFFECTIVE DATE.** This section is effective March 1, 2026.

530.27 Sec. 98. **REPEALER.**

530.28 (a) Minnesota Statutes 2022, sections 256.9864; 256J.08, subdivisions 10, 61, 81, and
530.29 83; 256J.30, subdivisions 5, 7, and 8; 256J.33, subdivisions 3, 4, and 5; and 256J.34,
530.30 subdivisions 1, 2, 3, and 4, are repealed.

531.1 (b) Minnesota Statutes 2022, section 256J.425, subdivision 6, is repealed.

531.2 (c) Minnesota Statutes 2022, sections 119B.011, subdivision 10a; 256J.08, subdivision
 531.3 24b; 256J.95, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19;
 531.4 and 256P.07, subdivision 5, are repealed.

531.5 (d) Minnesota Statutes 2022, section 256D.63, subdivision 1, is repealed.

531.6 (e) Minnesota Statutes 2022, section 256.8799, is repealed.

531.7 (f) Minnesota Statutes 2022, sections 256J.08, subdivisions 53 and 62; and 256J.37,
 531.8 subdivision 10, are repealed.

531.9 **EFFECTIVE DATE.** Paragraph (a) is effective March 1, 2025. Paragraph (b) is effective
 531.10 May 1, 2026. Paragraph (c) is effective March 1, 2026. Paragraph (d) is effective the day
 531.11 following final enactment. Paragraph (e) is effective July 1, 2023. Paragraph (f) is effective
 531.12 July 1, 2024.

531.13

ARTICLE 11

531.14

HOUSING AND HOMELESSNESS

531.15 Section 1. Minnesota Statutes 2022, section 145.4716, subdivision 3, is amended to read:

531.16 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger ~~shall be~~ are
 531.17 eligible for all services, support, and programs provided under this section and section
 531.18 145.4717, and all shelter, housing beds, and services provided by the commissioner of
 531.19 human services to sexually exploited youth and youth at risk of sexual exploitation under
 531.20 section 256K.47.

531.21 Sec. 2. Minnesota Statutes 2022, section 256B.051, subdivision 5, is amended to read:

531.22 Subd. 5. **Housing stabilization services.** (a) Housing stabilization services include
 531.23 housing transition services and housing and tenancy sustaining services.

531.24 (b) Housing transition services are defined as:

531.25 (1) tenant screening and housing assessment;

531.26 (2) assistance with the housing search and application process;

531.27 (3) identifying resources to cover onetime moving expenses;

531.28 (4) ensuring a new living arrangement is safe and ready for move-in;

531.29 (5) assisting in arranging for and supporting details of a move; and

532.1 (6) developing a housing support crisis plan.

532.2 (c) Housing and tenancy sustaining services include:

532.3 (1) prevention and early identification of behaviors that may jeopardize continued stable
532.4 housing;

532.5 (2) education and training on roles, rights, and responsibilities of the tenant and the
532.6 property manager;

532.7 (3) coaching to develop and maintain key relationships with property managers and
532.8 neighbors;

532.9 (4) advocacy and referral to community resources to prevent eviction when housing is
532.10 at risk;

532.11 (5) assistance with housing recertification process;

532.12 (6) coordination with the tenant to regularly review, update, and modify the housing
532.13 support and crisis plan; and

532.14 (7) continuing training on being a good tenant, lease compliance, and household
532.15 management.

532.16 (d) A housing stabilization service may include person-centered planning for people
532.17 who are not eligible to receive person-centered planning through any other service, if the
532.18 person-centered planning is provided by a consultation service provider that is under contract
532.19 with the department and enrolled as a Minnesota health care program.

532.20 (e) Housing transition costs are available to persons transitioning from a
532.21 provider-controlled setting to the person's own home and include:

532.22 (1) security deposits; and

532.23 (2) essential furnishings and supplies.

532.24 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
532.25 whichever is earlier.

532.26 Sec. 3. Minnesota Statutes 2022, section 256I.04, subdivision 1, is amended to read:

532.27 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and
532.28 entitled to a housing support payment to be made on the individual's behalf if the agency
532.29 has approved the setting where the individual will receive housing support and the individual
532.30 meets the requirements in paragraph (a), (b), ~~or (c)~~, or (d).

533.1 (a) The individual is aged, blind, or is over 18 years of age with a disability as determined
533.2 under the criteria used by the title II program of the Social Security Act, and meets the
533.3 resource restrictions and standards of section 256P.02, and the individual's countable income
533.4 after deducting the (1) exclusions and disregards of the SSI program, (2) the medical
533.5 assistance personal needs allowance under section 256B.35, and (3) an amount equal to the
533.6 income actually made available to a community spouse by an elderly waiver participant
533.7 under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058,
533.8 subdivision 2, is less than the monthly rate specified in the agency's agreement with the
533.9 provider of housing support in which the individual resides.

533.10 (b) The individual meets a category of eligibility under section 256D.05, subdivision 1,
533.11 paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the
533.12 individual's resources are less than the standards specified by section 256P.02, and the
533.13 individual's countable income as determined under section 256P.06, less the medical
533.14 assistance personal needs allowance under section 256B.35 is less than the monthly rate
533.15 specified in the agency's agreement with the provider of housing support in which the
533.16 individual resides.

533.17 (c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a
533.18 residential behavioral health treatment program, as determined by treatment staff from the
533.19 residential behavioral health treatment program. An individual is eligible under this paragraph
533.20 for up to three months, including a full or partial month from the individual's move-in date
533.21 at a setting approved for housing support following discharge from treatment, plus two full
533.22 months.

533.23 (d) The individual meets the criteria related to establishing a certified disability or
533.24 disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence
533.25 upon discharge from a correctional facility, as determined by an authorized representative
533.26 from a Minnesota-based correctional facility. An individual is eligible under this paragraph
533.27 for up to three months, including a full or partial month from the individual's move-in date
533.28 at a setting approved for housing support following release, plus two full months. Any
533.29 income received by people who meet the disabling condition criteria established in paragraph
533.30 (a) or (b) is not countable for the duration of eligibility under this paragraph.

533.31 **EFFECTIVE DATE.** This section is effective November 1, 2024.

534.1 Sec. 4. Minnesota Statutes 2022, section 256I.04, subdivision 3, is amended to read:

534.2 Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall
534.3 not enter into agreements for new housing support beds with total rates in excess of the
534.4 MSA equivalent rate except:

534.5 (1) for establishments licensed under chapter 245D provided the facility is needed to
534.6 meet the census reduction targets for persons with developmental disabilities at regional
534.7 treatment centers;

534.8 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
534.9 provide housing for chronic inebriates who are repetitive users of detoxification centers and
534.10 are refused placement in emergency shelters because of their state of intoxication, and
534.11 planning for the specialized facility must have been initiated before July 1, 1991, in
534.12 anticipation of receiving a grant from the Housing Finance Agency under section 462A.05,
534.13 subdivision 20a, paragraph (b);

534.14 (3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing
534.15 units in Anoka, Carver, Dakota, Hennepin, ~~or~~ Ramsey, Scott, or Washington County for
534.16 homeless adults with a mental illness, a history of substance abuse, or human
534.17 immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this
534.18 section, "homeless adult" means a person who is living on the street or in a shelter or
534.19 discharged from a regional treatment center, community hospital, or residential treatment
534.20 program and has no appropriate housing available and lacks the resources and support
534.21 necessary to access appropriate housing. At least 70 percent of the supportive housing units
534.22 must serve homeless adults with mental illness, substance abuse problems, or human
534.23 immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or,
534.24 within the previous six months, have been discharged from a regional treatment center, or
534.25 a state-contracted psychiatric bed in a community hospital, or a residential mental health
534.26 or substance use disorder treatment program. If a person meets the requirements of
534.27 subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the housing
534.28 support rate for that person is limited to the supplementary rate under section 256I.05,
534.29 subdivision 1a, and is determined by subtracting the amount of the person's countable income
534.30 that exceeds the MSA equivalent rate from the housing support supplementary service rate.
534.31 A resident in a demonstration project site who no longer participates in the demonstration
534.32 program shall retain eligibility for a housing support payment in an amount determined
534.33 under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under
534.34 section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are
534.35 available and the services can be provided through a managed care entity. If federal matching

535.1 funds are not available, then service funding will continue under section 256I.05, subdivision
535.2 1a;

535.3 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
535.4 Hennepin County providing services for men with and recovering from substance use
535.5 disorder that has had a housing support contract with the county and has been licensed as
535.6 a board and lodge facility with special services since 1980;

535.7 (5) for a housing support provider located in the city of St. Cloud, or a county contiguous
535.8 to the city of St. Cloud, that operates a 40-bed facility, that received financing through the
535.9 Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves
535.10 clientele with substance use disorder, providing 24-hour-a-day supervision;

535.11 (6) for a new 65-bed facility in Crow Wing County that will serve persons with substance
535.12 use disorder, operated by a housing support provider that currently operates a 304-bed
535.13 facility in Minneapolis, and a 44-bed facility in Duluth;

535.14 (7) for a housing support provider that operates two ten-bed facilities, one located in
535.15 Hennepin County and one located in Ramsey County, that provide community support and
535.16 24-hour-a-day supervision to serve the mental health needs of individuals who have
535.17 chronically lived unsheltered; and

535.18 (8) for a facility authorized for recipients of housing support in Hennepin County with
535.19 a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility
535.20 and that until August 1, 2007, operated as a licensed substance use disorder treatment
535.21 program.

535.22 (b) An agency may enter into a housing support agreement for beds with rates in excess
535.23 of the MSA equivalent rate in addition to those currently covered under a housing support
535.24 agreement if the additional beds are only a replacement of beds with rates in excess of the
535.25 MSA equivalent rate which have been made available due to closure of a setting, a change
535.26 of licensure or certification which removes the beds from housing support payment, or as
535.27 a result of the downsizing of a setting authorized for recipients of housing support. The
535.28 transfer of available beds from one agency to another can only occur by the agreement of
535.29 both agencies.

535.30 Sec. 5. Minnesota Statutes 2022, section 256I.05, subdivision 1a, is amended to read:

535.31 Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04,
535.32 subdivision 3, the agency may negotiate a payment not to exceed ~~\$426.37~~ \$494.91 for other
535.33 services necessary to provide room and board if the residence is licensed by or registered

536.1 by the Department of Health, or licensed by the Department of Human Services to provide
536.2 services in addition to room and board, and if the provider of services is not also concurrently
536.3 receiving funding for services for a recipient in the residence under a the following programs
536.4 or funding sources: (1) home and community-based waiver services under title XIX of the
536.5 federal Social Security Act chapter 256S or section 256B.0913, 256B.092, or 256B.49; or
536.6 funding from the medical assistance program (2) personal care assistance under section
536.7 256B.0659; for personal care services for residents in the setting; or residing in a setting
536.8 which receives funding under (3) community first services and supports under section
536.9 256B.85; or (4) services for adults with mental illness grants under section 245.73. If funding
536.10 is available for other necessary services through a home and community-based waiver, or
536.11 under chapter 256S, or section 256B.0913, 256B.092, or 256B.49; personal care assistance
536.12 services under section 256B.0659; community first services and supports under section
536.13 256B.85; or services for adults with mental illness grants under section 245.73, then the
536.14 housing support rate is limited to the rate set in subdivision 1. Unless otherwise provided
536.15 in law, in no case may the supplementary service rate exceed \$426.37 \$494.91. The
536.16 registration and licensure requirement does not apply to establishments which are exempt
536.17 from state licensure because they are located on Indian reservations and for which the tribe
536.18 has prescribed health and safety requirements. Service payments under this section may be
536.19 prohibited under rules to prevent the supplanting of federal funds with state funds. The
536.20 commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health
536.21 and Human Services to provide home and community-based waiver services under title
536.22 XIX of the federal Social Security Act for residents who are not eligible for an existing
536.23 home and community-based waiver due to a primary diagnosis of mental illness or substance
536.24 use disorder and shall apply for a waiver if it is determined to be cost-effective.

536.25 (b) The commissioner is authorized to make cost-neutral transfers from the housing
536.26 support fund for beds under this section to other funding programs administered by the
536.27 department after consultation with the agency in which the affected beds are located. The
536.28 commissioner may also make cost-neutral transfers from the housing support fund to agencies
536.29 for beds permanently removed from the housing support census under a plan submitted by
536.30 the agency and approved by the commissioner. The commissioner shall report the amount
536.31 of any transfers under this provision annually to the legislature.

536.32 (c) Agencies must not negotiate supplementary service rates with providers of housing
536.33 support that are licensed as board and lodging with special services and that do not encourage
536.34 a policy of sobriety on their premises and make referrals to available community services
536.35 for volunteer and employment opportunities for residents.

537.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

537.2 Sec. 6. Minnesota Statutes 2022, section 256I.05, subdivision 2, is amended to read:

537.3 Subd. 2. **Monthly rates; exemptions.** This subdivision applies to a residence that on
 537.4 August 1, 1984, was licensed by the commissioner of health only as a boarding care home,
 537.5 certified by the commissioner of health as an intermediate care facility, and licensed by the
 537.6 commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0670.
 537.7 Notwithstanding the provisions of subdivision 1c, the rate paid to a facility reimbursed
 537.8 under this subdivision shall be determined under chapter 256R, if the facility is accepted
 537.9 by the commissioner for participation in the alternative payment demonstration project. The
 537.10 rate paid to this facility shall also include adjustments to the room and board rate according
 537.11 to subdivision 1, ~~and any adjustments applicable to supplemental service rates statewide.~~

537.12 Sec. 7. Minnesota Statutes 2022, section 256K.45, subdivision 3, is amended to read:

537.13 Subd. 3. **Street and community outreach and drop-in program.** Youth drop-in centers
 537.14 must provide walk-in access to crisis intervention and ongoing supportive services including
 537.15 one-to-one case management services on a self-referral basis. Street and community outreach
 537.16 programs must locate, contact, and provide information, referrals, and services to homeless
 537.17 youth, youth at risk of homelessness, and runaways. Information, referrals, and services
 537.18 provided may include, but are not limited to:

537.19 (1) family reunification services;

537.20 (2) conflict resolution or mediation counseling;

537.21 (3) assistance in obtaining temporary emergency shelter;

537.22 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

537.23 (5) counseling regarding violence, sexual exploitation, substance abuse, sexually
 537.24 transmitted diseases, and pregnancy;

537.25 (6) referrals to other agencies that provide support services to homeless youth, youth at
 537.26 risk of homelessness, and runaways;

537.27 (7) assistance with education, employment, and independent living skills;

537.28 (8) aftercare services;

537.29 (9) specialized services for highly vulnerable runaways and homeless youth, including
 537.30 ~~teen~~ but not limited to youth at risk of discrimination based on sexual orientation or gender

538.1 identity, young parents, emotionally disturbed and mentally ill youth, and sexually exploited
538.2 youth; and
538.3 (10) homelessness prevention.

538.4 Sec. 8. Minnesota Statutes 2022, section 256K.45, subdivision 7, is amended to read:

538.5 Subd. 7. **Provider repair or improvement grants.** (a) Providers that serve homeless
538.6 youth ~~under this section~~ may apply for a grant of up to ~~\$200,000~~ \$500,000 under this
538.7 subdivision to make minor or mechanical repairs or improvements to a facility providing
538.8 services to homeless youth or youth at risk of homelessness.

538.9 (b) Grant applications under this subdivision must include a description of the repairs
538.10 or improvements and the estimated cost of the repairs or improvements.

538.11 ~~(e) Grantees under this subdivision cannot receive grant funds under this subdivision~~
538.12 ~~for two consecutive years.~~

538.13 Sec. 9. Minnesota Statutes 2022, section 256K.45, is amended by adding a subdivision to
538.14 read:

538.15 Subd. 8. **Awarding of grants.** For grants awarded pursuant to a two-year grant contract,
538.16 the commissioner shall permit grant recipients to carry over any unexpended amount from
538.17 the first contract year to the second contract year.

538.18 Sec. 10. **[256K.47] SAFE HARBOR SHELTER AND HOUSING.**

538.19 Subdivision 1. **Grant program established.** The commissioner of human services must
538.20 establish a safe harbor shelter and housing grant program. Under this grant program, the
538.21 commissioner must award grants to providers who are committed to serving sexually
538.22 exploited youth and youth at risk of sexual exploitation. Grantees must use grant money to
538.23 provide street and community outreach programs, emergency shelter programs, or supportive
538.24 housing programs consistent with the program descriptions in this section to address the
538.25 specialized outreach, shelter, and housing needs of sexually exploited youth and youth at
538.26 risk of sexual exploitation.

538.27 Subd. 2. **Youth eligible for services.** Youth 24 years of age or younger are eligible for
538.28 all shelter, housing beds, and services provided under this section and all services, support,
538.29 and programs provided by the commissioner of health to sexually exploited youth and youth
538.30 at risk of sexual exploitation under sections 145.4716 and 145.4717.

539.1 Subd. 3. **Street and community outreach.** (a) Street and community outreach programs
539.2 must locate, contact, and provide information, referrals, and services to eligible youth.

539.3 (b) Information, referrals, and services provided by street and community outreach
539.4 programs may include but are not limited to:

539.5 (1) family reunification services;

539.6 (2) conflict resolution or mediation counseling;

539.7 (3) assistance in obtaining temporary emergency shelter;

539.8 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;

539.9 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
539.10 infections, and pregnancy;

539.11 (6) referrals to other agencies that provide support services to sexually exploited youth
539.12 and youth at risk of sexual exploitation;

539.13 (7) assistance with education, employment, and independent living skills;

539.14 (8) aftercare services;

539.15 (9) specialized services for sexually exploited youth and youth at risk of sexual
539.16 exploitation, including youth experiencing homelessness and youth with mental health
539.17 needs; and

539.18 (10) services to address the prevention of sexual exploitation and homelessness.

539.19 Subd. 4. **Emergency shelter program.** (a) Emergency shelter programs must provide
539.20 eligible youth with referral and walk-in access to emergency short-term residential care.
539.21 The program shall provide eligible youth with safe and dignified shelter that includes private
539.22 shower facilities, beds, and meals each day and must assist eligible youth with reunification
539.23 with that youth's family or legal guardian when required or appropriate.

539.24 (b) The services provided at emergency shelters may include but are not limited to:

539.25 (1) specialized services to address the trauma of sexual exploitation;

539.26 (2) family reunification services;

539.27 (3) individual, family, and group counseling;

539.28 (4) assistance obtaining clothing;

539.29 (5) access to medical and dental care and mental health counseling;

- 540.1 (6) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
540.2 infections, and pregnancy;
- 540.3 (7) education and employment services;
- 540.4 (8) recreational activities;
- 540.5 (9) advocacy and referral services;
- 540.6 (10) independent living skills training;
- 540.7 (11) aftercare and follow-up services;
- 540.8 (12) transportation; and
- 540.9 (13) services to address the prevention of sexual exploitation and homelessness.
- 540.10 **Subd. 5. Supportive housing programs.** (a) Supportive housing programs must help
540.11 eligible youth find and maintain safe and dignified housing and provide related supportive
540.12 services and referrals. Supportive housing programs may also provide rental assistance.
- 540.13 (b) The services provided in supportive housing programs may include but are not limited
540.14 to:
- 540.15 (1) specialized services to address the trauma of sexual exploitation;
- 540.16 (2) education and employment services;
- 540.17 (3) budgeting and money management;
- 540.18 (4) assistance in securing housing appropriate to needs and income;
- 540.19 (5) counseling regarding violence, sexual exploitation, substance use, sexually transmitted
540.20 infections, and pregnancy;
- 540.21 (6) referral for medical services or chemical dependency treatment;
- 540.22 (7) parenting skills;
- 540.23 (8) self-sufficiency support services and independent living skills training;
- 540.24 (9) aftercare and follow-up services; and
- 540.25 (10) services to address the prevention of sexual exploitation and homelessness
540.26 prevention.
- 540.27 **Subd. 6. Funding.** Money appropriated for this section may be expended on programs
540.28 described in subdivisions 3 to 5, technical assistance, and capacity building to meet the
540.29 greatest need on a statewide basis.

541.1 Sec. 11. Laws 2021, First Special Session chapter 7, article 17, section 5, subdivision 1,
541.2 is amended to read:

541.3 Subdivision 1. **Housing transition cost.** (a) This act includes \$682,000 in fiscal year
541.4 2022 and \$1,637,000 in fiscal year 2023 for a onetime payment per transition of up to \$3,000
541.5 to cover costs associated with moving to a community setting that are not covered by other
541.6 sources. Covered costs include: (1) lease or rent deposits; (2) security deposits; (3) utilities
541.7 setup costs, including telephone and Internet services; and (4) essential furnishings and
541.8 supplies. The commissioner of human services shall seek an amendment to the medical
541.9 assistance state plan to allow for these payments as a housing stabilization service under
541.10 Minnesota Statutes, section 256B.051. The general fund base in this act for this purpose is
541.11 \$1,227,000 in fiscal year 2024 and \$0 in fiscal year 2025.

541.12 ~~(b) This subdivision expires March 31, 2024.~~

541.13 (b) An individual is only eligible for a housing transition cost payment if the individual
541.14 is moving from an institution or provider-controlled setting into their own home.

541.15 **EFFECTIVE DATE.** This section is effective upon federal approval.

541.16 Sec. 12. **HOUSING SUPPORT SUPPLEMENTARY SERVICE RATE STUDY.**

541.17 (a) The commissioner of human services, in consultation with residents of housing
541.18 support settings, providers, and lead agencies, must analyze housing support supplementary
541.19 service rates under Minnesota Statutes, section 256I.05, to recommend a rate setting
541.20 methodology that is person-centered, equitable, and adequately covers the cost to provide
541.21 services. The analysis must include but is not limited to:

541.22 (1) a review of current supplemental rates;

541.23 (2) recommendations to avoid duplication of services, while ensuring informed choice;
541.24 and

541.25 (3) recommendations on an updated rate setting methodology.

541.26 (b) By January 15, 2026, the commissioner must submit a report, including
541.27 recommendations and draft legislative language, to the chairs and ranking minority members
541.28 of the legislative committees with jurisdiction over human services policy and finance.

541.29 Sec. 13. **HOMELESS YOUTH CASH STIPEND PILOT PROJECT.**

541.30 Subdivision 1. **Pilot project established.** The commissioner of human services shall
541.31 establish a homeless youth cash stipend pilot project to provide a direct cash stipend to

542.1 homeless youth in Hennepin and St. Louis Counties. The pilot project must be designed to
542.2 meet the needs of underserved communities.

542.3 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
542.4 meanings given.

542.5 (b) "Commissioner" means the commissioner of human services.

542.6 (c) "Homeless youth" means a person 18 to 24 years of age who lacks a fixed, regular,
542.7 and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime
542.8 residences:

542.9 (1) a supervised publicly or privately operated shelter designed to provide temporary
542.10 living accommodations;

542.11 (2) an institution or a publicly or privately operated shelter designed to provide temporary
542.12 living accommodations;

542.13 (3) transitional housing;

542.14 (4) a temporary placement with a peer, friend, or family member that has not offered
542.15 permanent residence, a residential lease, or temporary lodging for more than 30 days; or

542.16 (5) a public or private place not designed for, nor ordinarily used as, a regular sleeping
542.17 accommodation for human beings.

542.18 Subd. 3. **Administration.** The commissioner, as authorized by Minnesota Statutes,
542.19 section 256.01, subdivision 2, paragraph (a), clause (6), shall contract with Youthprise to:

542.20 (1) identify eligible homeless youth under this section;

542.21 (2) provide technical assistance to cash stipend recipients;

542.22 (3) engage with cash stipend recipients to develop youth-designed optional services;

542.23 (4) evaluate the efficacy and cost-effectiveness of the pilot program;

542.24 (5) collaborate with youth leaders of each county to identify and contract with the
542.25 appropriate service providers to offer financial coaching, housing navigation, employment,
542.26 education services, and trauma-informed mentoring and support; and

542.27 (6) submit annual updates and a final report to the commissioner.

542.28 Subd. 4. **Eligibility.** Homeless youth who are 18 to 24 years of age and who live in
542.29 Hennepin or St. Louis County at the time of initial enrollment are eligible to participate in
542.30 the pilot project.

543.1 Subd. 5. **Cash stipend.** The commissioner, in consultation with Youthprise and Hennepin
543.2 and St. Louis Counties, shall establish a stipend amount for eligible homeless youth who
543.3 participate in the pilot project.

543.4 Subd. 6. **Stipends not to be considered income.** (a) Notwithstanding any law to the
543.5 contrary, cash stipends under this section must not be considered income, assets, or personal
543.6 property for purposes of determining eligibility or recertifying eligibility for:

543.7 (1) child care assistance programs under Minnesota Statutes, chapter 119B;

543.8 (2) general assistance and Minnesota supplemental aid under Minnesota Statutes, chapter
543.9 256D;

543.10 (3) housing support under Minnesota Statutes, chapter 256I;

543.11 (4) the Minnesota family investment program and diversionary work program under
543.12 Minnesota Statutes, chapter 256J; and

543.13 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

543.14 (b) The commissioner must not consider cash stipends under this section as income or
543.15 assets for medical assistance under Minnesota Statutes, section 256B.056, subdivision 1a,
543.16 paragraph (a); 3; or 3c.

543.17 Subd. 7. **Report.** The commissioner, in cooperation with Youthprise and Hennepin and
543.18 St. Louis Counties, shall submit an annual report on Youthprise's findings regarding the
543.19 efficacy and cost-effectiveness of the homeless youth cash stipend pilot project to the chairs
543.20 and ranking minority members of the legislative committees with jurisdiction over homeless
543.21 youth policy and finance by January 15, 2024, and each January 15 thereafter.

543.22 Subd. 8. **Expiration.** This section expires June 30, 2027.

543.23 Sec. 14. **EMERGENCY SHELTER FACILITIES.**

543.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
543.25 the meanings given.

543.26 (b) "Commissioner" means the commissioner of human services.

543.27 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
543.28 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
543.29 Code, or housing and redevelopment authority established under Minnesota Statutes, section
543.30 469.003.

544.1 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
544.2 accessible, and suitable emergency shelter for individuals and families experiencing
544.3 homelessness, regardless of whether the facility provides emergency shelter during the day,
544.4 overnight, or both.

544.5 Subd. 2. **Project criteria.** (a) The commissioner shall prioritize grants under this section
544.6 for projects that improve or expand emergency shelter facility options by:

544.7 (1) adding additional emergency shelter facilities by renovating existing facilities not
544.8 currently operating as emergency shelter facilities;

544.9 (2) adding additional emergency shelter facility beds by renovating existing emergency
544.10 shelter facilities, including major projects that address an accumulation of deferred
544.11 maintenance or repair or replacement of mechanical, electrical, and safety systems and
544.12 components in danger of failure;

544.13 (3) adding additional emergency shelter facility beds through acquisition and construction
544.14 of new emergency shelter facilities;

544.15 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
544.16 shelter facilities, including major projects that address an accumulation of deferred
544.17 maintenance or repair or replacement of mechanical, electrical, and safety systems and
544.18 components in danger of failure; and

544.19 (5) improving access to emergency shelter facilities that provide culturally appropriate
544.20 shelter and gender-inclusive shelter.

544.21 (b) A grant under this section may be used to pay for 100 percent of total project capital
544.22 expenditures or a specified project phase, up to \$10,000,000 per project. For eligible
544.23 applicants seeking funding under this section for the acquisition and construction of new
544.24 emergency shelter facilities under paragraph (a), clause (3), the commissioner must give
544.25 priority to projects in which the eligible applicant will provide at least ten percent of total
544.26 project funding.

544.27 (c) All projects funded with a grant under this section must meet all applicable state and
544.28 local building codes at the time of project completion.

544.29 (d) The commissioner must use a competitive request for proposal process to identify
544.30 potential projects and eligible applicants on a statewide basis. At least 40 percent of the
544.31 appropriation under this section must be awarded to projects located in greater Minnesota.
544.32 If the commissioner does not receive sufficient eligible funding requests from greater
544.33 Minnesota to award at least 40 percent of the appropriation under this section to projects in

545.1 greater Minnesota, the commissioner may award the remaining funds to other eligible
 545.2 projects.

545.3 (e) Notwithstanding Minnesota Statutes, sections 16B.98, subdivision 5, paragraph (a),
 545.4 clauses (1) and (2), and 16C.05, subdivision 2, paragraph (a), clause (3), final grant recipients
 545.5 from a competitive grant process may incur eligible expenses based on an agreed-upon
 545.6 predesign and design work plan and budget commencing July 1, 2023, prior to an
 545.7 encumbrance being established in the accounting system and grant execution.

545.8 ARTICLE 12

545.9 CHILDREN AND FAMILIES

545.10 Section 1. Minnesota Statutes 2022, section 4.045, is amended to read:

545.11 **4.045 CHILDREN'S CABINET.**

545.12 The Children's Cabinet shall consist of the commissioners of education; human services;
 545.13 employment and economic development; public safety; corrections; management and
 545.14 budget; health; administration; Housing Finance Agency; ~~and~~ transportation; and ~~the~~
 545.15 ~~director of the Office of Strategic and Long-Range Planning~~ children, youth, and families.

545.16 The governor shall designate one member to serve as cabinet chair. The chair is responsible
 545.17 for ensuring that the duties of the Children's Cabinet are performed.

545.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

545.19 Sec. 2. Minnesota Statutes 2022, section 10.65, subdivision 2, is amended to read:

545.20 Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings
 545.21 given:

545.22 (1) "agency" means the Department of Administration; Department of Agriculture;
 545.23 Department of Children, Youth, and Families; Department of Commerce; Department of
 545.24 Corrections; Department of Education; Department of Employment and Economic
 545.25 Development; Department of Health; Office of Higher Education; Housing Finance
 545.26 Agency; Department of Human Rights; Department of Human Services; Department of
 545.27 Information Technology Services; Department of Iron Range Resources and Rehabilitation;
 545.28 Department of Labor and Industry; Minnesota Management and Budget; Bureau of
 545.29 Mediation Services; Department of Military Affairs; Metropolitan Council; Department
 545.30 of Natural Resources; Pollution Control Agency; Department of Public Safety; Department
 545.31 of Revenue; Department of Transportation; Department of Veterans Affairs; Gambling

546.1 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board;
546.2 and the Board of Water and Soil Resources;

546.3 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
546.4 governments in the development of policy on matters that have Tribal implications.

546.5 Consultation is the proactive, affirmative process of identifying and seeking input from
546.6 appropriate Tribal governments and considering their interest as a necessary and integral
546.7 part of the decision-making process. This definition adds to statutorily mandated notification
546.8 procedures. During a consultation, the burden is on the agency to show that it has made a
546.9 good faith effort to elicit feedback. Consultation is a formal engagement between agency
546.10 officials and the governing body or bodies of an individual Minnesota Tribal government
546.11 that the agency or an individual Tribal government may initiate. Formal meetings or
546.12 communication between top agency officials and the governing body of a Minnesota Tribal
546.13 government is a necessary element of consultation;

546.14 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
546.15 statements, or other actions that have substantial direct effects on one or more Minnesota
546.16 Tribal governments, or on the distribution of power and responsibilities between the state
546.17 and Minnesota Tribal governments;

546.18 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
546.19 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
546.20 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
546.21 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
546.22 and Upper Sioux Community; and

546.23 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
546.24 allows the result of consultation to be included in the agency's decision-making process for
546.25 a matter that has Tribal implications.

546.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

546.27 Sec. 3. Minnesota Statutes 2022, section 15.01, is amended to read:

546.28 **15.01 DEPARTMENTS OF THE STATE.**

546.29 The following agencies are designated as the departments of the state government: the
546.30 Department of Administration; the Department of Agriculture; the Department of Children,
546.31 Youth, and Families; the Department of Commerce; the Department of Corrections; the
546.32 Department of Education; the Department of Employment and Economic Development;
546.33 the Department of Health; the Department of Human Rights; the Department of Information

547.1 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
 547.2 Department of Labor and Industry; the Department of Management and Budget; the
 547.3 Department of Military Affairs; the Department of Natural Resources; the Department of
 547.4 Public Safety; the Department of Human Services; the Department of Revenue; the
 547.5 Department of Transportation; the Department of Veterans Affairs; and their successor
 547.6 departments.

547.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

547.8 Sec. 4. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

547.9 Subdivision 1. **Applicability.** This section applies to the following departments or
 547.10 agencies: the Departments of Administration; Agriculture; Children, Youth, and Families;
 547.11 Commerce; Corrections; Education; Employment and Economic Development; Health;
 547.12 Human Rights; Labor and Industry; Management and Budget; Natural Resources; Public
 547.13 Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing
 547.14 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range
 547.15 Resources and Rehabilitation; the Department of Information Technology Services; the
 547.16 Bureau of Mediation Services; and their successor departments and agencies. The heads of
 547.17 the foregoing departments or agencies are "commissioners."

547.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

547.19 Sec. 5. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

547.20 Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall
 547.21 not exceed 133 percent of the salary of the governor. This limit must be adjusted annually
 547.22 on January 1. The new limit must equal the limit for the prior year increased by the percentage
 547.23 increase, if any, in the Consumer Price Index for all urban consumers from October of the
 547.24 second prior year to October of the immediately prior year. The commissioner of management
 547.25 and budget must publish the limit on the department's website. This subdivision applies to
 547.26 the following positions:

547.27 Commissioner of administration;

547.28 Commissioner of agriculture;

547.29 Commissioner of education;

547.30 Commissioner of children, youth, and families;

547.31 Commissioner of commerce;

- 548.1 Commissioner of corrections;
- 548.2 Commissioner of health;
- 548.3 Commissioner, Minnesota Office of Higher Education;
- 548.4 Commissioner, Housing Finance Agency;
- 548.5 Commissioner of human rights;
- 548.6 Commissioner of human services;
- 548.7 Commissioner of labor and industry;
- 548.8 Commissioner of management and budget;
- 548.9 Commissioner of natural resources;
- 548.10 Commissioner, Pollution Control Agency;
- 548.11 Commissioner of public safety;
- 548.12 Commissioner of revenue;
- 548.13 Commissioner of employment and economic development;
- 548.14 Commissioner of transportation; and
- 548.15 Commissioner of veterans affairs.
- 548.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

548.17 Sec. 6. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

548.18 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
548.19 agencies may designate additional unclassified positions according to this subdivision: the
548.20 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
548.21 Corrections; Education; Employment and Economic Development; Explore Minnesota
548.22 Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural
548.23 Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs;
548.24 the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of
548.25 Investment; the Office of Administrative Hearings; the Department of Information
548.26 Technology Services; the Offices of the Attorney General, Secretary of State, and State
548.27 Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher
548.28 Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

548.29 A position designated by an appointing authority according to this subdivision must
548.30 meet the following standards and criteria:

549.1 (1) the designation of the position would not be contrary to other law relating specifically
549.2 to that agency;

549.3 (2) the person occupying the position would report directly to the agency head or deputy
549.4 agency head and would be designated as part of the agency head's management team;

549.5 (3) the duties of the position would involve significant discretion and substantial
549.6 involvement in the development, interpretation, and implementation of agency policy;

549.7 (4) the duties of the position would not require primarily personnel, accounting, or other
549.8 technical expertise where continuity in the position would be important;

549.9 (5) there would be a need for the person occupying the position to be accountable to,
549.10 loyal to, and compatible with, the governor and the agency head, the employing statutory
549.11 board or commission, or the employing constitutional officer;

549.12 (6) the position would be at the level of division or bureau director or assistant to the
549.13 agency head; and

549.14 (7) the commissioner has approved the designation as being consistent with the standards
549.15 and criteria in this subdivision.

549.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

549.17 Sec. 7. Minnesota Statutes 2022, section 119B.011, subdivision 2, is amended to read:

549.18 Subd. 2. **Applicant.** "Child care fund applicants" means all parents;₂ stepparents;₂ legal
549.19 guardians;~~or~~₂ eligible relative caregivers ~~who are~~; relative custodians who accepted a transfer
549.20 of permanent legal and physical custody of a child under section 260C.515, subdivision 4,
549.21 or similar permanency disposition in Tribal code; successor custodians or guardians as
549.22 established by section 256N.22, subdivision 10; or foster parents providing care to a child
549.23 placed in a family foster home under section 260C.007, subdivision 16b. Applicants must
549.24 be members of the family and reside in the household that applies for child care assistance
549.25 under the child care fund.

549.26 **EFFECTIVE DATE.** This section is effective August 25, 2024.

549.27 Sec. 8. Minnesota Statutes 2022, section 119B.011, subdivision 5, is amended to read:

549.28 Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a
549.29 parent;₂ stepparent;₂ legal guardian;₂ eligible relative caregiver;₂ relative custodian who
549.30 accepted a transfer of permanent legal and physical custody of a child under section
549.31 260C.515, subdivision 4, or similar permanency disposition in Tribal code; successor

550.1 custodian or guardian as established according to section 256N.22, subdivision 10; foster
 550.2 parent providing care to a child placed in a family foster home under section 260C.007,
 550.3 subdivision 16b; or ~~the spouses~~ spouse of any of the foregoing in or outside the child's own
 550.4 home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

550.5 **EFFECTIVE DATE.** This section is effective August 25, 2024.

550.6 Sec. 9. Minnesota Statutes 2022, section 119B.011, subdivision 13, is amended to read:

550.7 Subd. 13. **Family.** "Family" means parents;₂ stepparents;₂ guardians and their spouses;
 550.8 ~~or~~₂ other eligible relative caregivers and their spouses;₂ relative custodians who accepted a
 550.9 transfer of permanent legal and physical custody of a child under section 260C.515,
 550.10 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 550.11 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 550.12 foster parents providing care to a child placed in a family foster home under section
 550.13 260C.007, subdivision 16b, and their spouses; and ~~their blood-related~~ the blood-related
 550.14 dependent children and adoptive siblings under the age of 18 years living in the same home
 550.15 ~~including~~ as any of the above. Family includes children temporarily absent from the
 550.16 household in settings such as schools, foster care, and residential treatment facilities ~~or~~
 550.17 ~~parents, stepparents, guardians and their spouses, or other relative caregivers and their~~
 550.18 ~~spouses~~ and adults temporarily absent from the household in settings such as schools, military
 550.19 service, or rehabilitation programs. An adult family member who is not in an authorized
 550.20 activity under this chapter may be temporarily absent for up to 60 days. When a minor
 550.21 parent or parents and his, her, or their child or children are living with other relatives, and
 550.22 the minor parent or parents apply for a child care subsidy, "family" means only the minor
 550.23 parent or parents and their child or children. An adult age 18 or older who meets this
 550.24 definition of family and is a full-time high school or postsecondary student may be considered
 550.25 a dependent member of the family unit if 50 percent or more of the adult's support is provided
 550.26 by the parents;₂ stepparents;₂ guardians and their spouses; relative custodians who accepted
 550.27 a transfer of permanent legal and physical custody of a child under section 260C.515,
 550.28 subdivision 4, or similar permanency disposition in Tribal code, and their spouses; successor
 550.29 custodians or guardians as established by section 256N.22, subdivision 10, and their spouses;
 550.30 foster parents providing care to a child placed in a family foster home under section
 550.31 260C.007, subdivision 16b, and their spouses; or eligible relative caregivers and their spouses
 550.32 residing in the same household.

550.33 **EFFECTIVE DATE.** This section is effective August 25, 2024.

551.1 Sec. 10. Minnesota Statutes 2022, section 119B.03, subdivision 4a, is amended to read:

551.2 Subd. 4a. **Temporary reprioritization Funding priorities.** (a) ~~Notwithstanding~~
 551.3 ~~subdivision 4~~ In the event that inadequate funding necessitates the use of waiting lists,
 551.4 priority for child care assistance under the basic sliding fee assistance program shall be
 551.5 determined according to this subdivision ~~beginning July 1, 2021, through May 31, 2024.~~

551.6 (b) First priority must be given to eligible non-MFIP families who do not have a high
 551.7 school diploma or commissioner of education-selected high school equivalency certification
 551.8 or who need remedial and basic skill courses in order to pursue employment or to pursue
 551.9 education leading to employment and who need child care assistance to participate in the
 551.10 education program. This includes student parents as defined under section 119B.011,
 551.11 subdivision 19b. Within this priority, the following subpriorities must be used:

551.12 (1) child care needs of minor parents;

551.13 (2) child care needs of parents under 21 years of age; and

551.14 (3) child care needs of other parents within the priority group described in this paragraph.

551.15 (c) Second priority must be given to families in which at least one parent is a veteran,
 551.16 as defined under section 197.447.

551.17 (d) Third priority must be given to eligible families who do not meet the specifications
 551.18 of paragraph (b), (c), (e), or (f).

551.19 (e) Fourth priority must be given to families who are eligible for portable basic sliding
 551.20 fee assistance through the portability pool under subdivision 9.

551.21 (f) Fifth priority must be given to eligible families receiving services under section
 551.22 119B.011, subdivision 20a, if the parents have completed their MFIP or DWP transition
 551.23 year, or if the parents are no longer receiving or eligible for DWP supports.

551.24 (g) Families under paragraph (f) must be added to the basic sliding fee waiting list on
 551.25 the date they complete their transition year under section 119B.011, subdivision 20.

551.26 Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 1, is amended to read:

551.27 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning November 15, 2021~~ October 30,
 551.28 2023, the maximum rate paid for child care assistance in any county or county price cluster
 551.29 under the child care fund shall be:

551.30 ~~(1) for all infants and toddlers,~~ the greater of the ~~40th~~ 75th percentile of the 2021 child
 551.31 care provider rate survey or the rates in effect at the time of the update; ~~and.~~

552.1 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
552.2 ~~2021 child care provider rate survey or the rates in effect at the time of the update.~~

552.3 (b) Beginning the first full service period on or after January 1, 2025, and every three
552.4 years thereafter, the maximum rate paid for child care assistance in a county or county price
552.5 cluster under the child care fund shall be:

552.6 ~~(1) for all infants and toddlers, the greater of the 40th 75th percentile of the 2024 most~~
552.7 ~~recent child care provider rate survey or the rates in effect at the time of the update; and.~~

552.8 ~~(2) for all preschool and school-age children, the greater of the 30th percentile of the~~
552.9 ~~2024 child care provider rate survey or the rates in effect at the time of the update.~~

552.10 The rates under paragraph (a) continue until the rates under this paragraph go into effect.

552.11 (c) For a child care provider located within the boundaries of a city located in two or
552.12 more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child
552.13 care assistance shall be equal to the maximum rate paid in the county with the highest
552.14 maximum reimbursement rates or the provider's charge, whichever is less. The commissioner
552.15 may: (1) assign a county with no reported provider prices to a similar price cluster; and (2)
552.16 consider county level access when determining final price clusters.

552.17 (d) A rate which includes a special needs rate paid under subdivision 3 may be in excess
552.18 of the maximum rate allowed under this subdivision.

552.19 (e) The department shall monitor the effect of this paragraph on provider rates. The
552.20 county shall pay the provider's full charges for every child in care up to the maximum
552.21 established. The commissioner shall determine the maximum rate for each type of care on
552.22 an hourly, full-day, and weekly basis, including special needs and disability care.

552.23 (f) If a child uses one provider, the maximum payment for one day of care must not
552.24 exceed the daily rate. The maximum payment for one week of care must not exceed the
552.25 weekly rate.

552.26 (g) If a child uses two providers under section 119B.097, the maximum payment must
552.27 not exceed:

552.28 (1) the daily rate for one day of care;

552.29 (2) the weekly rate for one week of care by the child's primary provider; and

552.30 (3) two daily rates during two weeks of care by a child's secondary provider.

553.1 (h) Child care providers receiving reimbursement under this chapter must not be paid
 553.2 activity fees or an additional amount above the maximum rates for care provided during
 553.3 nonstandard hours for families receiving assistance.

553.4 (i) If the provider charge is greater than the maximum provider rate allowed, the parent
 553.5 is responsible for payment of the difference in the rates in addition to any family co-payment
 553.6 fee.

553.7 (j) Beginning October 30, 2023, the maximum registration fee paid for child care
 553.8 assistance in any county or county price cluster under the child care fund shall be set as
 553.9 follows: (1) beginning November 15, 2021, the greater of the 40th 75th percentile of the
 553.10 2021 most recent child care provider rate survey or the registration fee in effect at the time
 553.11 of the update; and (2) beginning the first full service period on or after January 1, 2025, the
 553.12 maximum registration fee shall be the greater of the 40th percentile of the 2024 child care
 553.13 provider rate survey or the registration fee in effect at the time of the update. The registration
 553.14 fees under clause (1) continue until the registration fees under clause (2) go into effect.

553.15 (k) Maximum registration fees must be set for licensed family child care and for child
 553.16 care centers. For a child care provider located in the boundaries of a city located in two or
 553.17 more of the counties of Benton, Sherburne, and Stearns, the maximum registration fee paid
 553.18 for child care assistance shall be equal to the maximum registration fee paid in the county
 553.19 with the highest maximum registration fee or the provider's charge, whichever is less.

553.20 Sec. 12. **[119B.196] FAMILY, FRIEND, AND NEIGHBOR GRANT PROGRAM.**

553.21 Subdivision 1. Establishment. The commissioner of human services shall establish a
 553.22 family, friend, and neighbor (FFN) grant program to promote children's social-emotional
 553.23 learning and healthy development, early literacy, and other skills to succeed as learners and
 553.24 to foster community partnerships that will help children thrive when they enter school.

553.25 Subd. 2. Grant awards. The commissioner may award grants under this section to the
 553.26 following entities working with FFN caregivers: community-based organizations, nonprofit
 553.27 organizations, local or regional libraries, local public health agencies, and Indian Tribes
 553.28 and Tribal organizations. Grantees may use grant money received under this section to:

553.29 (1) provide culturally and linguistically appropriate training, support, and resources to
 553.30 FFN caregivers and children's families to improve and promote children's health, safety,
 553.31 nutrition, and learning;

553.32 (2) connect FFN caregivers and children's families with community resources that support
 553.33 the families' physical and mental health and economic and developmental needs;

554.1 (3) connect FFN caregivers and children's families to early childhood screening programs
554.2 and facilitate referrals to state and local agencies, schools, community organizations, and
554.3 medical providers, as appropriate;

554.4 (4) provide FFN caregivers and children's families with information about high-quality,
554.5 community-based early care and learning programs and financial assistance available to the
554.6 families, including but not limited to child care assistance under this chapter and early
554.7 learning scholarships under section 124D.165;

554.8 (5) provide FFN caregivers with information about registering as a legal nonlicensed
554.9 child care provider as defined in section 119B.011, subdivision 16, and establishing a
554.10 licensed family or group family child care program;

554.11 (6) provide transportation for FFN caregivers and children's families to educational and
554.12 other early childhood training activities;

554.13 (7) translate materials for FFN caregivers and children's families and provide translation
554.14 services to FFN caregivers and children's families;

554.15 (8) develop and disseminate social-emotional learning, health and safety, and early
554.16 learning kits to FFN caregivers; and

554.17 (9) establish play and learning groups for FFN caregivers.

554.18 Subd. 3. **Administration.** Applicants must apply for the grants using the forms and
554.19 according to timelines established by the commissioner.

554.20 Subd. 4. **Reporting requirements.** (a) Grantees shall provide data and program outcomes
554.21 to the commissioner in a form and manner specified by the commissioner for the purpose
554.22 of evaluating the grant program.

554.23 (b) Beginning February 1, 2024, and every two years thereafter, the commissioner shall
554.24 report to the chairs and ranking minority members of the legislative committees with
554.25 jurisdiction over child care on program outcomes.

554.26 Sec. 13. **[143.01] DEFINITIONS.**

554.27 Subdivision 1. **Application.** The definitions in this section apply to this chapter.

554.28 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of children, youth,
554.29 and families.

554.30 Subd. 3. **Department.** "Department" means the Department of Children, Youth, and
554.31 Families.

555.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

555.2 Sec. 14. **[143.02] CREATION OF THE DEPARTMENT OF CHILDREN, YOUTH,**
555.3 **AND FAMILIES.**

555.4 Subdivision 1. **Department.** The Department of Children, Youth, and Families is
555.5 established.

555.6 Subd. 2. **Transfer and restructuring provisions.** The restructuring of agencies under
555.7 this act must be conducted in accordance with sections 15.039 and 43A.045.

555.8 Subd. 3. **Successor and employee protection clause.** (a) Personnel relating to the
555.9 functions assigned to the commissioner in section 143.03 are transferred to the department
555.10 effective 30 days after approval by the commissioner.

555.11 (b) Before the commissioner's appointment, personnel relating to the functions in this
555.12 section may be transferred beginning July 1, 2024, with 30 days' notice from the
555.13 commissioner of management and budget.

555.14 (c) The following protections shall apply to employees who are transferred to the
555.15 department from state agencies:

555.16 (1) no transferred employee shall have their employment status and job classification
555.17 altered as a result of the transfer;

555.18 (2) transferred employees who were represented by an exclusive representative prior to
555.19 the transfer shall continue to be represented by the same exclusive representative after the
555.20 transfer;

555.21 (3) any applicable collective bargaining agreements with exclusive representatives shall
555.22 continue in full force and effect for transferred employees after the transfer;

555.23 (4) when an employee in a temporary unclassified position is transferred to the
555.24 department, the total length of time that the employee has served in the appointment shall
555.25 include all time served in the appointment at the transferring agency and the time served in
555.26 the appointment at the department. An employee in a temporary unclassified position who
555.27 was hired by a transferring agency through an open competitive selection process in
555.28 accordance with a policy enacted by the commissioner of management and budget shall be
555.29 considered to have been hired through such process after the transfer;

555.30 (5) the state shall have the obligation to meet and negotiate with the exclusive
555.31 representatives of the transferred employees about any proposed changes affecting or relating

556.1 to the transferred employees' terms and conditions of employment to the extent that the
556.2 proposed changes are not addressed in the applicable collective bargaining agreement; and

556.3 (6) in the event that the state transfers ownership or control of any facilities, services,
556.4 or operations of the department to another private or public entity by subcontracting, sale,
556.5 assignment, lease, or other transfer, the state shall require as a written condition of the
556.6 transfer of ownership or control the following:

556.7 (i) employees who perform work in the facilities, services, or operations must be offered
556.8 employment with the entity acquiring ownership or control before the entity offers
556.9 employment to any individual who was not employed by the transferring agency at the time
556.10 of the transfer; and

556.11 (ii) the wage and benefit standards of the transferred employees must not be reduced by
556.12 the entity acquiring ownership or control through the expiration of the collective bargaining
556.13 agreement in effect at the time of the transfer or for a period of two years after the transfer,
556.14 whichever is longer.

556.15 There is no liability on the part of, and no cause of action arises against, the state of
556.16 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
556.17 or control of any facilities, services, or operations of the department.

556.18 (d) To the extent that departmental changes affect the operations of any school district
556.19 or charter school, employers have the obligation to bargain about any changes affecting or
556.20 relating to employees' terms and conditions of employment if the changes are necessary
556.21 during or after the term of an existing collective bargaining agreement.

556.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

556.23 **Sec. 15. [143.03] COMMISSIONER.**

556.24 Subdivision 1. **General.** The department is under the administrative control of the
556.25 commissioner. The commissioner is appointed by the governor with the advice and consent
556.26 of the senate. The commissioner has the general powers provided in section 15.06,
556.27 subdivision 6. The commissioner's salary must be established according to the procedure
556.28 in section 15A.0815, subdivision 5, in the same range as specified for the commissioner of
556.29 management and budget.

556.30 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept
556.31 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying
556.32 out the duties and responsibilities of the commissioner. Any money received under this
556.33 paragraph is appropriated and dedicated for the purpose for which the money is granted.

557.1 The commissioner must biennially report to the chairs and ranking minority members of
557.2 relevant legislative committees and divisions by January 15 of each even-numbered year a
557.3 list of all grants and gifts received under this subdivision.

557.4 (b) Pursuant to law, the commissioner may apply for and receive money made available
557.5 from federal sources for the purpose of carrying out the duties and responsibilities of the
557.6 commissioner.

557.7 (c) The commissioner may make contracts with and grants to Tribal Nations, public and
557.8 private agencies and for-profit and nonprofit organizations, and individuals using appropriated
557.9 money.

557.10 (d) The commissioner must develop program objectives and performance measures for
557.11 evaluating progress toward achieving the objectives. The commissioner must identify the
557.12 objectives, performance measures, and current status of achieving the measures in a biennial
557.13 report to the chairs and ranking minority members of relevant legislative committees and
557.14 divisions. The report is due no later than January 15 each even-numbered year. The report
557.15 must include, when possible, the following objectives:

557.16 (1) centering and including the lived experiences of children and youth, including those
557.17 with disabilities and mental illness and their families, in all aspects of the department's work;

557.18 (2) increasing the effectiveness of the department's programs in addressing the needs of
557.19 children and youth facing racial, economic, or geographic inequities;

557.20 (3) increasing coordination and reducing inefficiencies among the department's programs
557.21 and the funding sources that support the programs;

557.22 (4) increasing the alignment and coordination of family access to child care and early
557.23 learning programs and improving systems of support for early childhood and learning
557.24 providers and services;

557.25 (5) improving the connection between the department's programs and the kindergarten
557.26 through grade 12 and higher education systems; and

557.27 (6) minimizing and streamlining the effort required of youth and families to receive
557.28 services to which the youth and families are entitled.

557.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

558.1 Sec. 16. **[143.04] STATE AND COUNTY SYSTEMS.**

558.2 **Subdivision 1. Establishment of systems.** (a) The commissioner shall establish and
558.3 enhance computer systems necessary for the efficient operation of the programs the
558.4 commissioner supervises, including:

558.5 (1) management and administration of the Supplemental Nutrition Assistance Program
558.6 (SNAP) and income maintenance program, including the electronic distribution of benefits;
558.7 and

558.8 (2) management and administration of the child support enforcement program.

558.9 (b) The commissioner's development costs incurred by computer systems for statewide
558.10 programs administered with that computer system and mandated by state or federal law
558.11 must not be assessed against county agencies. The commissioner may charge a county for
558.12 development and operating costs incurred by computer systems for functions requested by
558.13 the county and not mandated by state or federal law for programs administered by the
558.14 computer system incurring the cost.

558.15 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
558.16 maintaining the systems to the commissioner and to the counties participating in the system
558.17 in a manner that reflects actual system usage, except that the nonfederal share of the costs
558.18 of the MAXIS computer system and child support enforcement systems for statewide
558.19 programs administered by those systems and mandated by state or federal law shall be borne
558.20 entirely by the commissioner.

558.21 (d) The commissioner may enter into contractual agreements with federally recognized
558.22 Indian Tribes with a reservation in Minnesota to participate in state-operated computer
558.23 systems related to the management and administration of the SNAP, income maintenance,
558.24 and child support enforcement programs to the extent necessary for the Tribe to operate a
558.25 federally approved family assistance program or any other program under the supervision
558.26 of the commissioner.

558.27 **Subd. 2. State systems account created.** A state systems account for the Department
558.28 of Children, Youth, and Families is created in the state treasury. Money collected by the
558.29 commissioner for the programs in subdivision 1 must be deposited in the account. Money
558.30 in the state systems account and federal matching money are appropriated to the
558.31 commissioner for purposes of this section.

558.32 **EFFECTIVE DATE.** This section is effective July 1, 2024.

559.1 **Sec. 17. [143.05] RULEMAKING.**

559.2 (a) The commissioner may use the procedure in section 14.386, paragraph (a), to adopt
559.3 rules necessary to implement the responsibilities transferred under this article or through
559.4 section 16B.37. Section 14.386, paragraph (b), does not apply to these rules.

559.5 (b) The commissioner must amend Minnesota Rules to make conforming changes related
559.6 to the transfer of responsibilities under this act or through section 16B.37. The commissioner
559.7 must obtain the approval of the commissioners of human services, education, health, and
559.8 public safety for any amendments to or repeal of rules in existence on the effective date of
559.9 this section and administered under the authority of those agencies.

559.10 (c) The time limit in section 14.125 is extended to 36 months for rulemaking under
559.11 paragraphs (a) and (b). The commissioner must publish a notice of intent to adopt rules or
559.12 a notice of hearing within 36 months of the effective date reported under section 143.05,
559.13 subdivision 1, paragraph (c).

559.14 (d) The commissioner may adopt rules for the administration of activities related to the
559.15 department. Rules adopted under this paragraph are subject to the rulemaking requirements
559.16 of chapter 14.

559.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

559.18 **Sec. 18. [145.9285] COMMUNITY SOLUTIONS FOR HEALTHY CHILD**
559.19 **DEVELOPMENT GRANT PROGRAM.**

559.20 Subdivision 1. **Establishment.** The commissioner of health shall establish the community
559.21 solutions for healthy child development grant program. The purpose of the program is to:

559.22 (1) improve child development outcomes as related to the well-being of children of color
559.23 and American Indian children from prenatal to grade 3 and their families, including but not
559.24 limited to the goals outlined by the Department of Human Services' early childhood systems
559.25 reform effort for: early learning; health and well-being; economic security; and safe, stable,
559.26 nurturing relationships and environments by funding community-based solutions for
559.27 challenges that are identified by the affected community;

559.28 (2) reduce racial disparities in children's health and development from prenatal to grade
559.29 3; and

559.30 (3) promote racial and geographic equity.

559.31 Subd. 2. **Commissioner's duties.** The commissioner shall:

560.1 (1) develop a request for proposals for the healthy child development grant program in
560.2 consultation with the Community Solutions Advisory Council;

560.3 (2) provide outreach, technical assistance, and program development support to increase
560.4 capacity for new and existing service providers in order to better meet statewide needs,
560.5 particularly in greater Minnesota and areas where services to reduce health disparities have
560.6 not been established;

560.7 (3) review responses to requests for proposals, in consultation with the Community
560.8 Solutions Advisory Council, and award grants under this section;

560.9 (4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council,
560.10 and the state advisory council on early childhood education and care on the request for
560.11 proposal process;

560.12 (5) establish a transparent and objective accountability process, in consultation with the
560.13 Community Solutions Advisory Council, that is focused on outcomes that grantees agree
560.14 to achieve;

560.15 (6) provide grantees with access to data to assist grantees in establishing and
560.16 implementing effective community-led solutions;

560.17 (7) maintain data on outcomes reported by grantees; and

560.18 (8) contract with an independent third-party entity to evaluate the success of the grant
560.19 program and to build the evidence base for effective community solutions in reducing health
560.20 disparities of children of color and American Indian children from prenatal to grade 3.

560.21 **Subd. 3. Community Solutions Advisory Council; establishment; duties;**
560.22 **compensation.** (a) The commissioner, in consultation with the three ethnic councils under
560.23 section 15.0145 and the Indian Affairs Council under section 3.922, shall appoint a
560.24 13-member Community Solutions Advisory Council, as follows:

560.25 (1) three members representing Black Minnesotans of African heritage, one of whom
560.26 is a parent with a child under the age of eight years at the time of the appointment;

560.27 (2) three members representing Latino and Latina Minnesotans with an ethnic heritage
560.28 from Mexico, a country in Central or South America, Cuba, the Dominican Republic, or
560.29 Puerto Rico, one of whom is a parent with a child under the age of eight years at the time
560.30 of the appointment;

561.1 (3) three members representing Asian-Pacific Minnesotans with Asian-Pacific heritage,
561.2 one of whom is a parent with a child under the age of eight years at the time of the
561.3 appointment;

561.4 (4) three members representing the American Indian community, one of whom is a
561.5 parent of a child under the age of eight years at the time of the appointment; and

561.6 (5) one member with research or academic expertise in racial equity and healthy child
561.7 development.

561.8 (b) The commissioner must include representation from organizations with expertise in
561.9 advocacy on behalf of communities of color and Indigenous communities in areas related
561.10 to the grant program.

561.11 (c) At least three of the 13 members appointed under paragraph (a), clauses (1) to (4),
561.12 of the advisory council must come from outside the seven-county metropolitan area.

561.13 (d) The Community Solutions Advisory Council shall:

561.14 (1) advise the commissioner on the development of the request for proposals for
561.15 community solutions healthy child development grants. In advising the commissioner, the
561.16 council must consider how to build on the capacity of communities to promote child and
561.17 family well-being and address social determinants of healthy child development;

561.18 (2) review responses to requests for proposals and advise the commissioner on the
561.19 selection of grantees and grant awards;

561.20 (3) advise the commissioner on the establishment of a transparent and objective
561.21 accountability process focused on outcomes the grantees agree to achieve;

561.22 (4) advise the commissioner on ongoing oversight and necessary support in the
561.23 implementation of the program; and

561.24 (5) support the commissioner on other racial equity and early childhood grant efforts.

561.25 (e) Member terms, compensation, and removal shall be as provided in section 15.059,
561.26 subdivisions 2 to 4.

561.27 (f) The commissioner must convene meetings of the advisory council at least four times
561.28 per year.

561.29 (g) The advisory council shall expire upon expiration or repeal of the healthy childhood
561.30 development program.

562.1 (h) The commissioner of health must provide meeting space and administrative support
562.2 for the advisory council.

562.3 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
562.4 section include:

562.5 (1) organizations or entities that work with communities of color and American Indian
562.6 communities;

562.7 (2) Tribal Nations and Tribal organizations as defined in section 658P of the Child Care
562.8 and Development Block Grant Act of 1990; and

562.9 (3) organizations or entities focused on supporting healthy child development.

562.10 Subd. 5. **Strategic consideration and priority of proposals; eligible populations;**

562.11 **grant awards.** (a) The commissioner, in consultation with the Community Solutions
562.12 Advisory Council, shall develop a request for proposals for healthy child development
562.13 grants. In developing the proposals and awarding the grants, the commissioner shall consider
562.14 building on the capacity of communities to promote child and family well-being and address
562.15 social determinants of healthy child development. Proposals must focus on increasing racial
562.16 equity and healthy child development and reducing health disparities experienced by children
562.17 of color and American Indian children from prenatal to grade 3 and their families.

562.18 (b) In awarding the grants, the commissioner shall provide strategic consideration and
562.19 give priority to proposals from:

562.20 (1) organizations or entities led by people of color and serving communities of color;

562.21 (2) organizations or entities led by American Indians and serving American Indians,
562.22 including Tribal Nations and Tribal organizations;

562.23 (3) organizations or entities with proposals focused on healthy development from prenatal
562.24 to grade 3;

562.25 (4) organizations or entities with proposals focusing on multigenerational solutions;

562.26 (5) organizations or entities located in or with proposals to serve communities located
562.27 in counties that are moderate to high risk according to the Wilder Research Risk and Reach
562.28 Report; and

562.29 (6) community-based organizations that have historically served communities of color
562.30 and American Indians and have not traditionally had access to state grant funding.

562.31 The advisory council may recommend additional strategic considerations and priorities to
562.32 the commissioner.

563.1 (c) The first round of grants must be awarded no later than April 15, 2024. Grants must
 563.2 be awarded annually thereafter. Grants are awarded for a period of three years.

563.3 Subd. 6. **Geographic distribution of grants.** The commissioner and the advisory council
 563.4 shall ensure that grant money is prioritized and awarded to organizations and entities that
 563.5 are within counties that have a higher proportion of people of color and American Indians
 563.6 than the state average, to the extent possible.

563.7 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
 563.8 the forms and according to the timelines established by the commissioner.

563.9 Sec. 19. Minnesota Statutes 2022, section 256.014, subdivision 1, is amended to read:

563.10 Subdivision 1. **Establishment of systems.** (a) The commissioner of human services
 563.11 shall establish and enhance computer systems necessary for the efficient operation of ~~the~~
 563.12 medical assistance and other programs the commissioner supervises, including:

563.13 ~~(1) management and administration of the Supplemental Nutrition Assistance Program~~
 563.14 ~~(SNAP) and income maintenance program, including the electronic distribution of benefits;~~

563.15 ~~(2) management and administration of the child support enforcement program; and~~

563.16 ~~(3) administration of medical assistance.~~

563.17 (b) The commissioner's development costs incurred by computer systems for statewide
 563.18 programs administered by that computer system and mandated by state or federal law must
 563.19 not be assessed against county agencies. The commissioner may charge a county for
 563.20 development and operating costs incurred by computer systems for functions requested by
 563.21 the county and not mandated by state or federal law for programs administered by the
 563.22 computer system incurring the cost.

563.23 (c) The commissioner shall distribute the nonfederal share of the costs of operating and
 563.24 maintaining the systems to the commissioner and to the counties participating in the system
 563.25 in a manner that reflects actual system usage, except that the nonfederal share of the costs
 563.26 of the MAXIS computer system ~~and child support enforcement systems~~ for statewide
 563.27 programs administered by ~~those systems~~ that system and mandated by state or federal law
 563.28 shall be borne entirely by the commissioner.

563.29 The commissioner may enter into contractual agreements with federally recognized
 563.30 Indian Tribes with a reservation in Minnesota to participate in state-operated computer
 563.31 systems related to the management and administration of the ~~SNAP, income maintenance,~~
 563.32 ~~child support enforcement, and medical assistance programs~~ program to the extent necessary

564.1 for the Tribe to operate ~~a federally approved family~~ the medical assistance program or any
 564.2 other program under the supervision of the commissioner.

564.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

564.4 Sec. 20. Minnesota Statutes 2022, section 256.014, subdivision 2, is amended to read:

564.5 Subd. 2. **State systems account created.** A state systems account for the Department
 564.6 of Human Services is created in the state treasury. Money collected by the commissioner
 564.7 of human services for the programs in subdivision 1 must be deposited in the account.
 564.8 Money in the state systems account and federal matching money is appropriated to the
 564.9 commissioner of human services for purposes of this section.

564.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

564.11 Sec. 21. **[256E.38] DIAPER DISTRIBUTION GRANT PROGRAM.**

564.12 Subdivision 1. Establishment; purpose. The commissioner of human services shall
 564.13 establish a diaper distribution program to award competitive grants to eligible applicants
 564.14 to provide diapers to underresourced families statewide.

564.15 Subd. 2. Eligibility. To be eligible for a grant under this section, an applicant must
 564.16 demonstrate its capacity to distribute diapers statewide by having:

564.17 (1) a network of well-established partners for diaper distribution;

564.18 (2) the infrastructure needed to efficiently manage diaper procurement and distribution
 564.19 statewide;

564.20 (3) relationships with national organizations that support and enhance the work of
 564.21 addressing diaper need;

564.22 (4) the ability to engage in building community awareness of diaper need and advocate
 564.23 for diaper need at local, state, and federal levels;

564.24 (5) a commitment to and demonstration of working with organizations across ideological
 564.25 and political spectrums;

564.26 (6) the ability to address diaper need for children from birth through early childhood;
 564.27 and

564.28 (7) a commitment to working within an equity framework by ensuring access to
 564.29 organizations that provide culturally specific services or are located in communities with
 564.30 high concentrations of poverty.

565.1 Subd. 3. **Application.** Applicants must apply to the commissioner in a form and manner
565.2 prescribed by the commissioner. Applications must be filed at the times and for the periods
565.3 determined by the commissioner.

565.4 Subd. 4. **Eligible uses of grant money.** An eligible applicant that receives grant money
565.5 under this section shall use the money to purchase diapers and wipes and may use up to
565.6 four percent of the money for administrative costs.

565.7 Subd. 5. **Enforcement.** (a) An eligible applicant that receives grant money under this
565.8 section must:

565.9 (1) retain records documenting expenditure of the grant money;

565.10 (2) report to the commissioner on the use of the grant money; and

565.11 (3) comply with any additional requirements imposed by the commissioner.

565.12 (b) The commissioner may require that a report submitted under this subdivision include
565.13 an independent audit.

565.14 Sec. 22. Laws 2023, chapter 52, article 5, section 27, is amended to read:

565.15 Sec. 27. **299A.95 OFFICE OF RESTORATIVE PRACTICES.**

565.16 Subdivision 1. **Definition.** As used in this section, "restorative practices" means a practice
565.17 within a program or policy that incorporates core restorative principles, including but not
565.18 limited to voluntariness, prioritization of agreement by the people closest to the harm on
565.19 what is needed to repair the harm, reintegration into the community, honesty, and respect.
565.20 Restorative practices include but are not limited to victim-offender conferences, family
565.21 group conferences, circles, community conferences, and other similar victim-centered
565.22 practices. Restorative practices funded under this statute may be used at any point including
565.23 before court involvement, after court involvement, to prevent court involvement, or in
565.24 conjunction with court involvement. Restorative practices are rooted in community values
565.25 and create meaningful outcomes that may include but are not limited to:

565.26 (1) establishing and meeting goals related to increasing connection to community,
565.27 restoring relationships, and increasing empathy; considering all perspectives involved; and
565.28 taking responsibility for impact of actions by all parties involved;

565.29 (2) addressing the needs of those who have been harmed;

565.30 (3) recognizing and addressing the underlying issues of behavior;

566.1 (4) engaging with those most directly affected by an incident and including community
566.2 members that reflect the diversity of the individual's environment;

566.3 (5) determining the appropriate responses to specific incidents through the use of a
566.4 collaborative process;

566.5 (6) providing solutions and approaches that affirm and are tailored to specific cultures;
566.6 and

566.7 (7) implementing policies and procedures that are informed by the science of the social,
566.8 emotional, and cognitive development of children.

566.9 Subd. 2. **Establishment.** The Office of Restorative Practices is established within the
566.10 Department of Public Safety. The Office of Restorative Practices shall have the powers and
566.11 duties described in this section.

566.12 ~~Subd. 3. **Department of Children, Youth, and Family; automatic transfer.** In the
566.13 event that a Department of Children, Youth, and Family is created as an independent agency,
566.14 the Office of Restorative Practices shall be transferred to that department pursuant to section
566.15 15.039 effective six months following the effective date for legislation creating that
566.16 department.~~

566.17 Subd. 4. **Director; other staff.** (a) The commissioner of public safety shall appoint a
566.18 director of the Office of Restorative Practices. The director should have qualifications that
566.19 include or are similar to the following:

566.20 (1) experience in the many facets of restorative justice and practices such as peacemaking
566.21 circles, sentencing circles, community conferencing, community panels, and family group
566.22 decision making;

566.23 (2) experience in victim-centered and trauma-informed practices;

566.24 (3) knowledge of the range of social problems that bring children and families to points
566.25 of crisis such as poverty, racism, unemployment, and unequal opportunity;

566.26 (4) knowledge of the many ways youth become involved in other systems such as truancy,
566.27 juvenile delinquency, child protection; and

566.28 (5) understanding of educational barriers.

566.29 (b) The director shall hire additional staff to perform the duties of the Office of
566.30 Restorative Practices. The staff shall be in the classified service of the state and their
566.31 compensation shall be established pursuant to chapter 43A.

567.1 Subd. 5. **Duties.** (a) The Office of Restorative Practices shall promote the use of
567.2 restorative practices across multiple disciplines, including but not limited to:

567.3 (1) pretrial diversion programs established pursuant to section 388.24;

567.4 (2) delinquency, criminal justice, child welfare, and education systems; and

567.5 (3) community violence prevention practices.

567.6 (b) The Office of Restorative Practices shall collaborate with Tribal communities,
567.7 counties, multicounty agencies, other state agencies, nonprofit agencies, and other
567.8 jurisdictions, and with existing restorative practices initiatives in those jurisdictions to
567.9 establish new restorative practices initiatives, support existing restorative practices initiatives,
567.10 and identify effective restorative practices initiatives.

567.11 (c) The Office of Restorative Practices shall encourage collaboration between jurisdictions
567.12 by creating a statewide network, led by restorative practitioners, to share effective methods
567.13 and practices.

567.14 (d) The Office of Restorative Practices shall create a statewide directory of restorative
567.15 practices initiatives. The office shall make this directory available to all restorative practices
567.16 initiatives, counties, multicounty agencies, nonprofit agencies, and Tribes in order to facilitate
567.17 referrals to restorative practices initiatives and programs.

567.18 (e) The Office of Restorative Practices shall work throughout the state to build capacity
567.19 for the use of restorative practices in all jurisdictions and shall encourage every county to
567.20 have at least one available restorative practices initiative.

567.21 (f) The Office of Restorative Practices shall engage restorative practitioners in discerning
567.22 ways to measure the effectiveness of restorative efforts throughout the state.

567.23 (g) The Office of Restorative Practices shall oversee the coordination and establishment
567.24 of local restorative practices advisory committees. The office shall oversee compliance with
567.25 the conditions of this funding program. If a complaint or concern about a local advisory
567.26 committee or a grant recipient is received, the Office of Restorative Practices shall exercise
567.27 oversight as provided in this section.

567.28 (h) The Office of Restorative Practices shall provide information to local restorative
567.29 practices advisory committees, or restorative practices initiatives in Tribal communities and
567.30 governments, counties, multicounty agencies, other state agencies, and other jurisdictions
567.31 about best practices that are developmentally tailored to youth, trauma-informed, and
567.32 healing-centered, and provide technical support. Providing information includes but is not
567.33 limited to sharing data on successful practices in other jurisdictions, sending notification

568.1 about available training opportunities, and sharing known resources for financial support.
568.2 The Office of Restorative Practices shall also provide training and technical support to local
568.3 restorative practices advisory committees. Training includes but is not limited to the use
568.4 and scope of restorative practices, victim-centered restorative practices, and trauma-informed
568.5 care.

568.6 (i) The Office of Restorative Practices shall annually establish minimum requirements
568.7 for the grant application process.

568.8 (j) The Office of Restorative Practices shall work with Tribes, counties, multicounty
568.9 agencies, and nonprofit agencies throughout the state to educate those entities about the
568.10 application process for grants and encourage applications.

568.11 Subd. 6. **Grants.** (a) Within available appropriations, the director shall award grants to
568.12 establish and support restorative practices initiatives. An approved applicant must receive
568.13 a grant of up to \$500,000 each year.

568.14 (b) On an annual basis, the Office of Restorative Practices shall establish a minimum
568.15 number of applications that must be received during the application process. If the minimum
568.16 number of applications is not received, the office must reopen the application process.

568.17 (c) Grants may be awarded to private and public nonprofit agencies; local units of
568.18 government, including cities, counties, and townships; local educational agencies; and Tribal
568.19 governments. A restorative practices advisory committee may support multiple entities
568.20 applying for grants based on community needs, the number of youth and families in the
568.21 jurisdiction, and the number of restorative practices available to the community. Budgets
568.22 supported by grant funds can include contracts with partner agencies.

568.23 (d) Applications must include the following:

568.24 (1) a list of willing restorative practices advisory committee members;

568.25 (2) letters of support from potential restorative practices advisory committee members;

568.26 (3) a description of the planning process that includes:

568.27 (i) a description of the origins of the initiative, including how the community provided
568.28 input; and

568.29 (ii) an estimated number of participants to be served; and

568.30 (4) a formal document containing a project description that outlines the proposed goals,
568.31 activities, and outcomes of the initiative including, at a minimum:

569.1 (i) a description of how the initiative meets the minimum eligibility requirements of the
569.2 grant;

569.3 (ii) the roles and responsibilities of key staff assigned to the initiative;

569.4 (iii) identification of any key partners, including a summary of the roles and
569.5 responsibilities of those partners;

569.6 (iv) a description of how volunteers and other community members are engaged in the
569.7 initiative; and

569.8 (v) a plan for evaluation and data collection.

569.9 (e) In determining the appropriate amount of each grant, the Office of Restorative
569.10 Practices shall consider the number of individuals likely to be served by the local restorative
569.11 practices initiative.

569.12 **Subd. 7. Restorative practices advisory committees; membership and duties. (a)**
569.13 Restorative practices advisory committees must include:

569.14 (1) a judge of the judicial district that will be served by the restorative practices initiative;

569.15 (2) the county attorney of a county that will be served by the restorative practices initiative
569.16 or a designee;

569.17 (3) the chief district public defender in the district that will be served by the local
569.18 restorative justice program or a designee;

569.19 (4) a representative from the children's unit of a county social services agency assigned
569.20 to the area that will be served by the restorative practices initiative;

569.21 (5) a representative from the local probation department or community corrections
569.22 agency that works with youth in the area that will be served by the restorative practices
569.23 initiative;

569.24 (6) a representative from a local law enforcement agency that operates in the area that
569.25 will be served by the restorative practices initiative;

569.26 (7) a school administrator or designee from a school or schools that operate in the area
569.27 that will be served by the restorative practices initiative;

569.28 (8) multiple community members that reflect the racial, socioeconomic, and other
569.29 diversity of the population of a county that will be served by the local restorative justice
569.30 program and the individuals most frequently involved in the truancy, juvenile offender, and
569.31 juvenile safety and placement systems;

570.1 (9) restorative practitioners, including restorative practitioners from within the community
570.2 if available and, if not, from nearby communities;

570.3 (10) parents, youth, and justice-impacted participants; and

570.4 (11) at least one representative from a victims advocacy group.

570.5 (b) Community members described in paragraph (a), clause (8), must make up at least
570.6 one-third of the restorative practices advisory committee.

570.7 (c) Community members, parents, youth, and justice-impacted participants participating
570.8 in the advisory committee may receive a per diem from grant funds in the amount determined
570.9 by the General Services Administration.

570.10 (d) The restorative practices advisory committees must utilize restorative practices in
570.11 their decision-making process and come to consensus when developing, expanding, and
570.12 maintaining restorative practices criteria and referral processes for their communities.

570.13 (e) Restorative practices advisory committees shall be responsible for establishing
570.14 eligibility requirements for referrals to the local restorative practices initiative. Once
570.15 restorative practices criteria and referral processes are developed, children, families, and
570.16 cases, depending upon the point of prevention or intervention, must be referred to the local
570.17 restorative practices initiatives or programs that serve the county, local community, or Tribal
570.18 community where the child and family reside.

570.19 (f) Referrals may be made under circumstances, including but not limited to:

570.20 (1) as an alternative to arrest as outlined in section 260B.1755;

570.21 (2) for a juvenile petty offense;

570.22 (3) for a juvenile traffic offense;

570.23 (4) for a juvenile delinquency offense, including before and after a delinquency petition
570.24 has been filed;

570.25 (5) for a child protection case, including before and after adjudication;

570.26 (6) for a children's mental health case;

570.27 (7) for a juvenile status offense, including but not limited to truancy or running away;

570.28 (8) for substance use issues;

570.29 (9) for situations involving transition to or from the community; and

570.30 (10) through self-referral.

571.1 Subd. 8. **Oversight of restorative practices advisory committees.** (a) Complaints by
 571.2 restorative practices advisory committee members, community members, restorative practices
 571.3 initiatives, or restorative practices practitioners regarding concerns about grant recipients
 571.4 may be made to the Office of Restorative Practices.

571.5 (b) The Office of Restorative Practices may prescribe the methods by which complaints
 571.6 to the office are to be made, reviewed, and acted upon.

571.7 (c) The Office of Restorative Practices shall establish and use a restorative process to
 571.8 respond to complaints so that grant recipients are being held to their agreed upon
 571.9 responsibilities and continue to meet the minimum eligibility requirements for grants to
 571.10 local restorative practices initiatives for the duration of the grant.

571.11 Subd. 9. **Report.** By February 15 of each year, the director shall report to the chairs and
 571.12 ranking minority members of the legislative committees and divisions with jurisdiction over
 571.13 public safety, human services, and education, on the work of the Office of Restorative
 571.14 Practices, any grants issued pursuant to this section, and the status of local restorative
 571.15 practices initiatives in the state that were reviewed in the previous year.

571.16 Sec. 23. **2023 S.F. No. 2292, section 20, subdivision 13, if enacted:**

571.17 Subd. 13. **Quality rating and improvement system.** (a) For transfer to the commissioner
 571.18 of human services for the purposes of expanding the quality rating and improvement system
 571.19 under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports
 571.20 for providers participating in the quality rating and improvement system:

571.21 \$ 2,850,000 2024

571.22 \$ 1,750,000 2025

571.23 (b) The amounts in paragraph (a) must be in addition to any federal funding under the
 571.24 child care and development block grant authorized under Public Law 101-508 in that year
 571.25 for the system under Minnesota Statutes, section 124D.142.

571.26 (c) The commissioner of human services shall use up to \$1,100,000 in fiscal year 2024
 571.27 from the amount appropriated under paragraph (a) to establish and report on the automatic
 571.28 one-star rating under Minnesota Statutes, section 124D.142, subdivision 2, paragraph (a),
 571.29 and to offer related supports.

571.30 (d) Any balance in the first year does not cancel but is available in the second year.

572.1 **Sec. 24. DIRECTION TO COMMISSIONER; ALLOCATING BASIC SLIDING**
572.2 **FEE MONEY.**

572.3 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
572.4 commissioner of human services must allocate additional basic sliding fee child care money
572.5 for calendar year 2025 to counties and Tribes to account for the change in the definition of
572.6 family in Minnesota Statutes, section 119B.011, in this article. In allocating the additional
572.7 money, the commissioner shall consider:

572.8 (1) the number of children in the county or Tribe who receive care from a relative
572.9 custodian who accepted a transfer of permanent legal and physical custody of a child under
572.10 Minnesota Statutes, section 260C.515, subdivision 4, or similar permanency disposition in
572.11 Tribal code; successor custodian or guardian as established according to Minnesota Statutes,
572.12 section 256N.22, subdivision 10; or foster parents in a family foster home under Minnesota
572.13 Statutes, section 260C.007, subdivision 16b; and

572.14 (2) the average basic sliding fee cost of care in the county or Tribe.

572.15 **Sec. 25. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; COST**
572.16 **ESTIMATION MODEL FOR EARLY CARE AND LEARNING PROGRAMS.**

572.17 (a) The commissioner of human services shall develop a cost estimation model for
572.18 providing early care and learning in the state. In developing the model, the commissioner
572.19 shall consult with relevant entities and stakeholders, including but not limited to the State
572.20 Advisory Council on Early Childhood Education and Care under Minnesota Statutes, section
572.21 124D.141; county administrators; child care resource and referral organizations under
572.22 Minnesota Statutes, section 119B.19, subdivision 1; and organizations representing
572.23 caregivers, teachers, and directors.

572.24 (b) The commissioner shall contract with an organization with experience and expertise
572.25 in early care and learning cost estimation modeling to conduct the work outlined in this
572.26 section. If practicable, the commissioner shall contract with First Children's Finance.

572.27 (c) The commissioner shall ensure that the model can estimate variation in the cost of
572.28 early care and learning by:

572.29 (1) the quality of care;

572.30 (2) the geographic area;

572.31 (3) the type of child care provider and associated licensing standards;

572.32 (4) the age of the child;

573.1 (5) whether the early care and learning is inclusive by caring for children with disabilities
573.2 alongside children without disabilities;

573.3 (6) child care provider and staff compensation, including benefits such as professional
573.4 development stipends, health care benefits, and retirement benefits;

573.5 (7) a child care provider's fixed costs, including rent and mortgage payments, property
573.6 taxes, and business-related insurance payments;

573.7 (8) a child care provider's operating expenses, including expenses for training and
573.8 substitutes; and

573.9 (9) a child care provider's hours of operation.

573.10 (d) By January 30, 2025, the commissioner must submit a report to the legislative
573.11 committees with jurisdiction over early childhood programs on the development of the cost
573.12 estimation model. The report must include:

573.13 (1) recommendations on how the model could be used in conjunction with a child care
573.14 and early education professional wage scale to set child care provider payment rates for
573.15 child care assistance under Minnesota Statutes, chapter 119B, and great start scholarships
573.16 under Minnesota Statutes, section 119C.01; and

573.17 (2) a plan to seek federal approval to use the model for child care provider payment rates
573.18 for child care assistance.

573.19 **Sec. 26. DIRECTION TO COMMISSIONER; INCREASE FOR MAXIMUM CHILD**
573.20 **CARE ASSISTANCE RATES.**

573.21 Notwithstanding Minnesota Statutes, section 119B.03, subdivisions 6, 6a, and 6b, the
573.22 commissioner must allocate the additional basic sliding fee child care money for calendar
573.23 year 2024 to counties and Tribes for updated maximum rates based on relative need to cover
573.24 maximum rate increases. In distributing the additional money, the commissioner shall
573.25 consider the following factors by county and Tribe:

573.26 (1) the number of children;

573.27 (2) the provider type;

573.28 (3) the age of children served; and

573.29 (4) the amount of the increase in maximum rates.

574.1 Sec. 27. **FIRST APPOINTMENTS AND TERMS FOR THE COMMUNITY**
574.2 **SOLUTIONS ADVISORY COUNCIL.**

574.3 The commissioner of health must appoint members to the Community Solutions Advisory
574.4 Council under Minnesota Statutes, section 145.9285, by July 1, 2023, and must convene
574.5 the first meeting by September 15, 2023. The commissioner must designate half of the
574.6 members appointed under Minnesota Statutes, section 145.9285, subdivision 3, paragraph
574.7 (a), clauses (1) to (4), to serve a two-year term and the remaining members will serve a
574.8 four-year term. The commissioner may appoint people who are serving on or who have
574.9 served on the council established under Laws 2019, First Special Session chapter 9, article
574.10 11, section 107, subdivision 3.

574.11 Sec. 28. **APPOINTMENT OF COMMISSIONER OF CHILDREN, YOUTH, AND**
574.12 **FAMILIES.**

574.13 The governor shall appoint a commissioner-designee of the Department of Children,
574.14 Youth, and Families. The person appointed becomes the governor's appointee as the
574.15 commissioner of children, youth, and families on July 1, 2024.

574.16 Sec. 29. **DATA PRACTICES.**

574.17 (a) To the extent not prohibited by state or federal law, and notwithstanding the data's
574.18 classification under Minnesota Statutes, chapter 13:

574.19 (1) the commissioner of children, youth, and families may access data maintained by
574.20 the commissioners of education, human services, and public safety related to the
574.21 responsibilities transferred under section 30; and

574.22 (2) the commissioners of education, human services, and public safety may access data
574.23 maintained by the commissioner of children, youth, and families related to each department's
574.24 respective responsibilities transferred under section 30.

574.25 (b) Data sharing authorized by this subdivision includes only the data necessary to
574.26 coordinate department activities and services transferred under section 30.

574.27 (c) Any data shared under this section retain the data's classification from the agency
574.28 holding the data.

574.29 (d) Existing limitations and legal requirements under Minnesota Statutes, chapter 13,
574.30 including but not limited to any applicable data subject to consent requirements, apply to
574.31 any data accessed, transferred, disseminated, or shared under this section.

575.1 (e) This section expires July 1, 2027.

575.2 Sec. 30. **TRANSFERS FROM OTHER AGENCIES.**

575.3 Subdivision 1. General. (a) Between July 1, 2024, and July 1, 2025, the Departments
575.4 of Human Services, Education, and Public Safety must transition all of the responsibilities
575.5 held by these departments and described in this section to the Department of Children,
575.6 Youth, and Families.

575.7 (b) Notwithstanding paragraph (a), any programs identified in paragraph (a) that require
575.8 federal approval to move to the Department of Children, Youth, and Families must be
575.9 transferred on or after July 1, 2024, and upon the federal government granting transfer
575.10 authority to the commissioner of children, youth, and families.

575.11 (c) The commissioner of children, youth, and families must report an effective date of
575.12 the transfer of each responsibility identified in this section to the commissioners of
575.13 administration, management and budget, and other relevant departments along with the
575.14 secretary of the senate, the chief clerk of the house of representatives, and the chairs and
575.15 ranking minority members of relevant legislative committees and divisions. The reported
575.16 date is the effective date of transfer of responsibilities under Minnesota Statutes, section
575.17 15.039.

575.18 (d) The requirement in Minnesota Statutes, section 16B.37, subdivision 1, that a state
575.19 agency must have been in existence for at least one year before being eligible for receiving
575.20 a transfer of personnel, powers, or duties does not apply to the Department of Children,
575.21 Youth, and Families.

575.22 (e) Notwithstanding Minnesota Statutes, section 15.039, subdivision 6, for the transfer
575.23 of responsibilities conducted under this chapter, the unexpended balance of any appropriation
575.24 to an agency for the purposes of any responsibilities that are transferred to the Department
575.25 of Children, Youth, and Families, along with the operational functions to support the
575.26 responsibilities transferred, including administrative, legal, information technology, and
575.27 personnel support, and a proportional share of base funding, are transferred and appropriated
575.28 under the same conditions as the original appropriation to the Department of Children,
575.29 Youth, and Families effective on the date of the transfer of responsibilities and related
575.30 elements. The commissioner of management and budget shall identify and allocate any
575.31 unexpended appropriations and base funding. Funds that are transferred and appropriated
575.32 to the Department of Children, Youth, and Families under this subdivision are part of the
575.33 agency's base in future years under the same conditions as the original appropriations.

576.1 (f) The commissioner of children, youth, and families or management and budget may
576.2 request an extension to transfer any responsibility listed in this section. The commissioner
576.3 of children, youth, and families or management and budget may request that the transfer of
576.4 any responsibility listed in this section be canceled if an effective date has not been reported
576.5 under paragraph (c). Any request under this paragraph must be made in writing to the
576.6 governor. Upon approval from the governor, the transfer may be delayed or canceled. Within
576.7 ten days after receiving the approval of the governor, the commissioner who requested the
576.8 transfer shall submit to the chairs and ranking minority members of relevant legislative
576.9 committees and divisions a notice of any extensions or cancellations granted under this
576.10 paragraph.

576.11 (g) The commissioner of children, youth, and families must provide four successive
576.12 quarterly reports to relevant legislative committees on the status of transferring programs;
576.13 responsibilities; not public data as defined in section 13.02, subdivision 8a; and personnel
576.14 under this section. The first report must cover the quarter starting July 1, 2024, and each
576.15 report must be submitted by the 15th of the month following the quarter end.

576.16 Subd. 2. **Department of Human Services.** The powers and duties of the Department
576.17 of Human Services with respect to the following responsibilities and related elements are
576.18 transferred to the Department of Children, Youth, and Families according to Minnesota
576.19 Statutes, section 15.039:

576.20 (1) family services and community-based collaboratives under Minnesota Statutes,
576.21 section 124D.23;

576.22 (2) child care programs under Minnesota Statutes, chapter 119B;

576.23 (3) Parent Aware quality rating and improvement system under Minnesota Statutes,
576.24 section 124D.142;

576.25 (4) migrant child care services under Minnesota Statutes, section 256M.50;

576.26 (5) early childhood and school-age professional development training under Laws 2007,
576.27 chapter 147, article 2, section 56;

576.28 (6) licensure of family child care and child care centers, child foster care, and private
576.29 child placing agencies under Minnesota Statutes, chapter 245A;

576.30 (7) certification of license-exempt child care centers under Minnesota Statutes, chapter
576.31 245H;

- 577.1 (8) program integrity and fraud related to the Child Care Assistance Program (CCAP),
577.2 the Minnesota Family Investment Program (MFIP), and the Supplemental Nutrition
577.3 Assistance Program (SNAP) under Minnesota Statutes, chapters 119B and 245E;
- 577.4 (9) SNAP under Minnesota Statutes, sections 256D.60 to 256D.63;
- 577.5 (10) electronic benefit transactions under Minnesota Statutes, sections 256.9862,
577.6 256.9863, 256.9865, 256.987, 256.9871, 256.9872, and 256J.77;
- 577.7 (11) Minnesota food assistance program under Minnesota Statutes, section 256D.64;
- 577.8 (12) Minnesota food shelf program under Minnesota Statutes, section 256E.34;
- 577.9 (13) MFIP and Temporary Assistance for Needy Families (TANF) under Minnesota
577.10 Statutes, sections 256.9864 and 256.9865 and chapters 256J and 256P;
- 577.11 (14) Diversionary Work Program (DWP) under Minnesota Statutes, section 256J.95;
- 577.12 (15) resettlement programs under Minnesota Statutes, section 256B.06, subdivision 6;
- 577.13 (16) child abuse under Minnesota Statutes, chapter 256E;
- 577.14 (17) reporting of the maltreatment of minors under Minnesota Statutes, chapter 260E;
- 577.15 (18) children in voluntary foster care for treatment under Minnesota Statutes, chapter
577.16 260D;
- 577.17 (19) juvenile safety and placement under Minnesota Statutes, chapter 260C;
- 577.18 (20) the Minnesota Indian Family Preservation Act under Minnesota Statutes, sections
577.19 260.751 to 260.835;
- 577.20 (21) the Interstate Compact for Juveniles under Minnesota Statutes, section 260.515,
577.21 and the Interstate Compact on the Placement of Children under Minnesota Statutes, sections
577.22 260.851 to 260.93;
- 577.23 (22) adoption under Minnesota Statutes, sections 259.20 to 259.89;
- 577.24 (23) Northstar Care for Children under Minnesota Statutes, chapter 256N;
- 577.25 (24) child support under Minnesota Statutes, chapters 13, 13B, 214, 256, 256J, 257, 259,
577.26 518, 518A, 518C, 551, 552, 571, and 588, and Minnesota Statutes, section 609.375;
- 577.27 (25) community action programs under Minnesota Statutes, sections 256E.30 to 256E.32;
577.28 and
- 577.29 (26) Family Assets for Independence in Minnesota under Minnesota Statutes, section
577.30 256E.35.

578.1 Subd. 3. Department of Education. The powers and duties of the Department of
578.2 Education with respect to the following responsibilities and related elements are transferred
578.3 to the Department of Children, Youth, and Families according to Minnesota Statutes, section
578.4 15.039:

578.5 (1) Head Start Program and Early Head Start under Minnesota Statutes, sections 119A.50
578.6 to 119A.545;

578.7 (2) the early childhood screening program under Minnesota Statutes, sections 121A.16
578.8 to 121A.19;

578.9 (3) early learning scholarships under Minnesota Statutes, section 124D.165;

578.10 (4) the interagency early childhood intervention system under Minnesota Statutes,
578.11 sections 125A.259 to 125A.48;

578.12 (5) voluntary prekindergarten programs and school readiness plus programs under
578.13 Minnesota Statutes, section 124D.151;

578.14 (6) early childhood family education programs under Minnesota Statutes, sections
578.15 124D.13 to 124D.135;

578.16 (7) school readiness under Minnesota Statutes, sections 124D.15 to 124D.16; and

578.17 (8) after-school community learning programs under Minnesota Statutes, section
578.18 124D.2211.

578.19 Subd. 4. Department of Public Safety. The powers and duties of the Department of
578.20 Public Safety with respect to the following responsibilities and related elements are
578.21 transferred to the Department of Children, Youth, and Families according to Minnesota
578.22 Statutes, section 15.039:

578.23 (1) the juvenile justice program under Minnesota Statutes, section 299A.72;

578.24 (2) grants-in-aid to youth intervention programs under Minnesota Statutes, section
578.25 299A.73; and

578.26 (3) the Office of Restorative Practices under Minnesota Statutes, section 299A.95.

578.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

578.28 Sec. 31. **TRANSITION REPORT TO THE LEGISLATURE.**

578.29 By March 1, 2024, the commissioner of management and budget must report to the
578.30 legislature on the status of work related to establishing and setting up the Department of
578.31 Children, Youth, and Families. The report must address, at a minimum:

579.1 (1) the completed, ongoing, and anticipated work related to the transfer of programs,
579.2 responsibilities, and personnel to the department;

579.3 (2) the development of interagency agreements for services that will be shared by
579.4 agencies, including any agreements related to access or sharing of not public data;

579.5 (3) efforts to secure needed federal approvals for the transfer of programs and
579.6 responsibilities;

579.7 (4) regular engagement with leaders and staff of state agencies, county and Tribal
579.8 governments, and school districts about the creation of the department and the transfer of
579.9 programs; responsibilities; not public data as defined in section 13.02, subdivision 8a; and
579.10 personnel to the department;

579.11 (5) input from individuals impacted by the programs that are to be transferred to the
579.12 department and input from local services providers and other stakeholders about how to
579.13 improve services through the creation of the department; and

579.14 (6) plans and timelines related to the items referenced in clauses (1) to (5).

579.15 (b) The report must include recommendations for how to coordinate and partner with
579.16 county and Tribal governments, including through the use of a governing authority, such
579.17 as an intergovernmental advisory committee. The recommendations must be developed in
579.18 coordination with county and Tribal governments.

579.19 (c) The report must include input from stakeholders and recommendations for improving
579.20 service coordination and delivery for families with children who have disabilities, including
579.21 recommendations for coordinating services between state agencies in the areas of child
579.22 protection, early education, children's mental health, disability services, and other areas
579.23 relevant to families with children who have disabilities.

579.24 **Sec. 32. MODERNIZING INFORMATION TECHNOLOGY FOR PROGRAMS**
579.25 **IMPACTING CHILDREN AND FAMILIES.**

579.26 (a) To the extent there is funding available for this purpose in the state systems account
579.27 established under Minnesota Statutes, section 256.014, subdivision 2, the commissioner of
579.28 human services shall develop and implement a plan to transform and modernize the
579.29 information technology systems that support the programs impacting children and families,
579.30 including youth programs and child care and early learning programs, currently administered
579.31 by the Departments of Education and Human Services and other departments with programs
579.32 impacting children and families as identified by the Children's Cabinet. The commissioner
579.33 may contract for the services contained in this section.

580.1 (b) The plan must support the goal of creating new or modernizing existing information
580.2 technology systems for child- and family-focused programs that collect, analyze, share, and
580.3 report data on program participation and service coordination and school readiness, early
580.4 screening, and other childhood indicators. The plan must include strategies to:

580.5 (1) minimize the time and effort needed for families to apply for, enroll in, and maintain
580.6 enrollment in programs;

580.7 (2) minimize the time and effort needed for providers to administer programs;

580.8 (3) improve coordination among programs for families;

580.9 (4) assess the impact of childhood programs on children's outcomes, including school
580.10 readiness and educational outcomes; and

580.11 (5) monitor and collect nonbiometric attendance data at child care centers licensed under
580.12 Minnesota Rules, chapter 9503, through a combination of state-provided technology and
580.13 integration with private child care management systems.

580.14 (c) In developing and implementing the plan required under this section, the commissioner
580.15 must consult with the commissioners of education and information technology services and
580.16 other departments with programs impacting children and families as identified by the
580.17 Children's Cabinet and other stakeholders. The plan and corresponding implementation
580.18 must be coordinated and aligned with other systems modernization activities that affect the
580.19 same state agencies and programs.

580.20 (d) By February 1 of each year, the commissioner, in collaboration with the commissioner
580.21 of information technology services, must provide a report to the legislative committees with
580.22 jurisdiction over impacted programs on the status of the use of money, plan development,
580.23 and strategy implementation. This paragraph expires on February 1 of the year after all the
580.24 funds appropriated for the purposes described in paragraph (a) in the state systems account
580.25 established under Minnesota Statutes, section 256.014, subdivision 2, have been spent.

580.26 (e) When the Department of Children, Youth, and Families is operational, the
580.27 responsibilities and authorities given to the commissioner of human services under this
580.28 section shall transfer to the commissioner of children, youth, and families.

580.29 **Sec. 33. PREPARED MEALS FOOD RELIEF GRANTS.**

580.30 Subdivision 1. **Establishment.** The commissioner of human services shall establish a
580.31 prepared meals grant program to provide hunger relief to Minnesotans experiencing food

581.1 insecurity and who have difficulty preparing meals due to limited mobility, disability, age,
581.2 or limited resources to prepare their own meal.

581.3 Subd. 2. **Eligible grantees.** Eligible grantees are nonprofit organizations and federally
581.4 recognized American Indian Tribes or Bands located in Minnesota as defined in Minnesota
581.5 Statutes, section 10.65, with a demonstrated history of providing and distributing prepared
581.6 meals customized for the population that they serve, including tailoring meals to the cultural,
581.7 religious, and dietary needs of the population served. Eligible grantees must prepare meals
581.8 in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

581.9 Subd. 3. **Application.** Applicants for grant money under this section shall apply to the
581.10 commissioner on the forms and in the time and manner established by the commissioner.

581.11 Subd. 4. **Allowable uses of grant funds.** (a) Eligible grantees must use grant money
581.12 awarded under this section to fund a prepared meals program that primarily targets individuals
581.13 between 18 and 60 years of age, and their dependents, experiencing food insecurity. Grantees
581.14 must avoid duplication with existing state and federal meal programs.

581.15 (b) Grant money must supplement, but not supplant, any state or federal funding used
581.16 to provide prepared meals to Minnesotans experiencing food insecurity.

581.17 Subd. 5. **Duties of the commissioner.** (a) The commissioner shall develop a process
581.18 for determining eligible grantees under this section.

581.19 (b) In granting money, the commissioner shall prioritize applicants that:

581.20 (1) have demonstrated ability to provide prepared meals to racially and geographically
581.21 diverse populations at greater risk for food insecurity;

581.22 (2) work with external community partners to distribute meals targeting nontraditional
581.23 meal sites reaching those most in need; and

581.24 (3) have a demonstrated history of sourcing at least 50 percent of the prepared meal
581.25 ingredients from:

581.26 (i) Minnesota food producers and processors; or

581.27 (ii) food that is donated or would otherwise be waste.

581.28 (c) The commissioner shall consider geographic distribution to ensure statewide coverage
581.29 when awarding grants and minimize the number of grantees to simplify administrative
581.30 burdens and costs.

582.1 Sec. 34. **DIRECTION TO COMMISSIONER; ADMINISTRATION OF GREAT**
 582.2 **START SCHOLARSHIPS PROGRAM.**

582.3 The commissioner of human services, in collaboration with the commissioner of education
 582.4 and the Children's Cabinet, shall administer the great start scholarships program under
 582.5 Minnesota Statutes, section 119C.01, until the Department of Children, Youth, and Families
 582.6 is operational. The commissioner of human services may transfer administration of the
 582.7 program to the commissioner of children, youth, and families when the Department of
 582.8 Children, Youth, and Families is operational.

582.9 Sec. 35. **REVISOR INSTRUCTION.**

582.10 The revisor of statutes must identify, in consultation with the commissioners of
 582.11 management and budget; human services; education; health; and public safety, any changes
 582.12 to Minnesota Statutes and Minnesota Rules necessary to facilitate the transfer of
 582.13 responsibilities under this act, the authority to fulfill the responsibilities under this act, and
 582.14 the related operational functions needed to implement the necessary legal changes and
 582.15 responsibilities under this act. By February 1, 2024, the revisor of statutes must submit to
 582.16 the chairs and ranking minority members of relevant legislative committees and divisions
 582.17 draft legislation with the statutory changes necessary to implement this act.

582.18 Sec. 36. **REPEALER.**

582.19 (a) Minnesota Statutes 2022, section 119B.03, subdivision 4, is repealed.

582.20 (b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

582.21 **EFFECTIVE DATE.** Paragraph (b) is effective April 28, 2025.

582.22 **ARTICLE 13**

582.23 **CHILD CARE WORKFORCE**

582.24 Section 1. Minnesota Statutes 2022, section 119B.011, subdivision 19a, is amended to
 582.25 read:

582.26 Subd. 19a. **Registration.** "Registration" means the process used by ~~a county~~ the
 582.27 commissioner to determine whether the provider selected by a family applying for or
 582.28 receiving child care assistance to care for that family's children meets the requirements
 582.29 necessary for payment of child care assistance for care provided by that provider. The
 582.30 commissioner shall create a process for statewide registration by April 28, 2025.

582.31 **EFFECTIVE DATE.** This section is effective April 28, 2025.

583.1 Sec. 2. Minnesota Statutes 2022, section 119B.05, subdivision 1, is amended to read:

583.2 Subdivision 1. **Eligible participants.** Families eligible for child care assistance under
583.3 the MFIP child care program are:

583.4 (1) MFIP participants who are employed or in job search and meet the requirements of
583.5 section 119B.10;

583.6 (2) persons who are members of transition year families under section 119B.011,
583.7 subdivision 20, and meet the requirements of section 119B.10;

583.8 (3) families who are participating in employment orientation or job search, or other
583.9 employment or training activities that are included in an approved employability development
583.10 plan under section 256J.95;

583.11 (4) MFIP families who are participating in work job search, job support, employment,
583.12 or training activities as required in their employment plan, or in appeals, hearings,
583.13 assessments, or orientations according to chapter 256J;

583.14 (5) MFIP families who are participating in social services activities under chapter 256J
583.15 as required in their employment plan approved according to chapter 256J;

583.16 (6) families who are participating in services or activities that are included in an approved
583.17 family stabilization plan under section 256J.575;

583.18 (7) MFIP child-only families under section 256J.88, for up to 20 hours of child care per
583.19 week for children ages six and under, as recommended by the treating mental health
583.20 professional as defined in section 245I.04, subdivision 2, when the child's primary caregiver
583.21 has a diagnosis of a mental illness;

583.22 ~~(7)~~ (8) families who are participating in programs as required in tribal contracts under
583.23 section 119B.02, subdivision 2, or 256.01, subdivision 2;

583.24 ~~(8)~~ (9) families who are participating in the transition year extension under section
583.25 119B.011, subdivision 20a;

583.26 ~~(9)~~ (10) student parents as defined under section 119B.011, subdivision 19b; and

583.27 ~~(10)~~ (11) student parents who turn 21 years of age and who continue to meet the other
583.28 requirements under section 119B.011, subdivision 19b. A student parent continues to be
583.29 eligible until the student parent is approved for basic sliding fee child care assistance or
583.30 until the student parent's redetermination, whichever comes first. At the student parent's
583.31 redetermination, if the student parent was not approved for basic sliding fee child care
583.32 assistance, a student parent's eligibility ends following a 15-day adverse action notice.

584.1 **EFFECTIVE DATE.** This section is effective May 12, 2025.

584.2 Sec. 3. Minnesota Statutes 2022, section 119B.125, subdivision 1, is amended to read:

584.3 Subdivision 1. **Authorization.** ~~A county or~~ The commissioner must authorize the provider
 584.4 chosen by an applicant or a participant before the county can authorize payment for care
 584.5 provided by that provider. The commissioner must establish the requirements necessary for
 584.6 authorization of providers. A provider must be reauthorized every two years. ~~A legal,~~
 584.7 ~~nonlicensed family child care provider also must be reauthorized when another person over~~
 584.8 ~~the age of 13 joins the household, a current household member turns 13, or there is reason~~
 584.9 ~~to believe that a household member has a factor that prevents authorization. The provider~~
 584.10 ~~is required to report all family changes that would require reauthorization. When a provider~~
 584.11 ~~has been authorized for payment for providing care for families in more than one county,~~
 584.12 ~~the county responsible for reauthorization of that provider is the county of the family with~~
 584.13 ~~a current authorization for that provider and who has used the provider for the longest length~~
 584.14 ~~of time.~~

584.15 **EFFECTIVE DATE.** This section is effective April 28, 2025.

584.16 Sec. 4. Minnesota Statutes 2022, section 119B.125, subdivision 1a, is amended to read:

584.17 Subd. 1a. **Background study required.** (a) This subdivision only applies to legal,
 584.18 nonlicensed family child care providers.

584.19 (b) Prior to authorization, and as part of each reauthorization required in subdivision 1,
 584.20 the county the commissioner shall perform a background study on every member of the
 584.21 provider's household who is age 13 and older. The county shall also perform a background
 584.22 study on an individual who has reached age ten but is not yet age 13 and is living in the
 584.23 household where the nonlicensed child care will be provided when the county has reasonable
 584.24 cause as defined under section 245C.02, subdivision 15 individuals identified under section
 584.25 245C.02, subdivision 6a.

584.26 (c) After authorization, a background study shall also be performed when an individual
 584.27 identified under section 245C.02, subdivision 6a, joins the household. The provider must
 584.28 report all family changes that would require a new background study.

584.29 (d) At each reauthorization, the commissioner must ensure that a background study
 584.30 through NETStudy 2.0 has been performed on all individuals in the provider's household
 584.31 for whom a background study is required under paragraphs (b) and (c).

585.1 (e) Prior to a background study through NETStudy 2.0 expiring, another background
 585.2 study must be completed on all individuals for whom the background study is expiring.

585.3 **EFFECTIVE DATE.** This section is effective April 28, 2025.

585.4 Sec. 5. Minnesota Statutes 2022, section 119B.125, subdivision 1b, is amended to read:

585.5 Subd. 1b. **Training required.** (a) ~~Effective November 1, 2011,~~ Prior to initial
 585.6 authorization as required in subdivision 1, a legal nonlicensed family child care provider
 585.7 must complete first aid and CPR training and provide the verification of first aid and CPR
 585.8 training to the ~~county~~ commissioner. The training documentation must have valid effective
 585.9 dates as of the date the registration request is submitted to the ~~county~~ commissioner. The
 585.10 training must have been provided by an individual approved to provide first aid and CPR
 585.11 instruction and have included CPR techniques for infants and children.

585.12 ~~(b) Legal nonlicensed family child care providers with an authorization effective before~~
 585.13 ~~November 1, 2011, must be notified of the requirements before October 1, 2011, or at~~
 585.14 ~~authorization, and must meet the requirements upon renewal of an authorization that occurs~~
 585.15 ~~on or after January 1, 2012.~~

585.16 ~~(e)~~ (b) Upon each reauthorization after the authorization period when the initial first aid
 585.17 and CPR training requirements are met, a legal nonlicensed family child care provider must
 585.18 provide verification of at least eight hours of additional training listed in the Minnesota
 585.19 Center for Professional Development Registry.

585.20 ~~(d)~~ (c) This subdivision only applies to legal nonlicensed family child care providers.

585.21 **EFFECTIVE DATE.** This section is effective April 28, 2025.

585.22 Sec. 6. Minnesota Statutes 2022, section 119B.125, subdivision 2, is amended to read:

585.23 Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization
 585.24 under this section shall collect the information required under section 245C.05, ~~subdivision~~
 585.25 ~~1,~~ and forward the information to the ~~county agency~~ commissioner. The background study
 585.26 must include a review of the information required under section 245C.08, ~~subdivisions 2,~~
 585.27 ~~subdivision 3, and 4, paragraph (b).~~

585.28 (b) A legal nonlicensed family child care provider is not authorized under this section
 585.29 if:

585.30 (1) the commissioner determines that any household member who is the subject of a
 585.31 background study is ~~determined to have a disqualifying characteristic under paragraphs (b)~~

586.1 ~~to (e) or under section 245C.14 or 245C.15. If a county has determined that a provider is~~
 586.2 ~~able to be authorized in that county, and a family in another county later selects that provider,~~
 586.3 ~~the provider is able to be authorized in the second county without undergoing a new~~
 586.4 ~~background investigation unless one of the following conditions exists: disqualified from~~
 586.5 ~~direct contact with, or from access to, persons served by the program and that disqualification~~
 586.6 ~~has not been set aside or a variance has not been granted under chapter 245C;~~

586.7 ~~(1) two years have passed since the first authorization;~~

586.8 ~~(2) another person age 13 or older has joined the provider's household since the last~~
 586.9 ~~authorization;~~

586.10 ~~(3) a current household member has turned 13 since the last authorization; or~~

586.11 ~~(4) there is reason to believe that a household member has a factor that prevents~~
 586.12 ~~authorization.~~

586.13 ~~(b) (2) the person has refused to give written consent for disclosure of criminal history~~
 586.14 ~~records;~~

586.15 ~~(e) (3) the person has been denied a family child care license or has received a fine or~~
 586.16 ~~a sanction as a licensed child care provider that has not been reversed on appeal;~~

586.17 ~~(d) (4) the person has a family child care licensing disqualification that has not been set~~
 586.18 ~~aside; or~~

586.19 ~~(e) (5) the person has admitted or a county has found that there is a preponderance of~~
 586.20 ~~evidence that fraudulent information was given to the county for child care assistance~~
 586.21 ~~application purposes or was used in submitting child care assistance bills for payment.~~

586.22 **EFFECTIVE DATE.** This section is effective April 28, 2025.

586.23 Sec. 7. Minnesota Statutes 2022, section 119B.125, subdivision 3, is amended to read:

586.24 Subd. 3. **Authorization exception.** When a ~~county~~ the commissioner denies a person
 586.25 authorization as a legal nonlicensed family child care provider under subdivision 2, the
 586.26 ~~county commissioner~~ later may authorize that person as a provider if the following conditions
 586.27 are met:

586.28 (1) after receiving notice of the denial of the authorization, the person applies for and
 586.29 obtains a valid child care license issued under chapter 245A, issued by a Tribe, or issued
 586.30 by another state;

586.31 (2) the person maintains the valid child care license; and

587.1 (3) the person is providing child care in the state of licensure or in the area under the
587.2 jurisdiction of the licensing Tribe.

587.3 **EFFECTIVE DATE.** This section is effective April 28, 2025.

587.4 Sec. 8. Minnesota Statutes 2022, section 119B.125, subdivision 4, is amended to read:

587.5 Subd. 4. **Unsafe care.** ~~A county~~ (a) The commissioner may deny authorization as a child
587.6 care provider to any applicant or rescind authorization of any provider when ~~the~~ a county
587.7 or the commissioner knows or has reason to believe that the provider is unsafe or that the
587.8 circumstances of the chosen child care arrangement are unsafe, based on statewide criteria
587.9 developed by the commissioner. ~~The county must include the conditions under which a~~
587.10 ~~provider or care arrangement will be determined to be unsafe in the county's child care fund~~
587.11 ~~plan under section 119B.08, subdivision 3~~

587.12 (b) The commissioner shall develop and introduce statewide criteria for unsafe care.

587.13 **EFFECTIVE DATE.** This section is effective April 28, 2025.

587.14 Sec. 9. Minnesota Statutes 2022, section 119B.125, subdivision 6, is amended to read:

587.15 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
587.16 receiving child care assistance payments must:

587.17 (1) keep accurate and legible daily attendance records at the site where services are
587.18 delivered for children receiving child care assistance; and

587.19 (2) make those records available immediately to the county or the commissioner upon
587.20 request. Any records not provided to a county or the commissioner at the date and time of
587.21 the request are deemed inadmissible if offered as evidence by the provider in any proceeding
587.22 to contest an overpayment or disqualification of the provider.

587.23 (b) As a condition of payment, attendance records must be completed daily and include
587.24 the date, the first and last name of each child in attendance, and the times when each child
587.25 is dropped off and picked up. To the extent possible, the times that the child was dropped
587.26 off to and picked up from the child care provider must be entered by the person dropping
587.27 off or picking up the child. The daily attendance records must be retained at the site where
587.28 services are delivered for six years after the date of service.

587.29 (c) ~~A county or the commissioner may deny or revoke a provider's authorization to~~
587.30 ~~receive child care assistance payments under section 119B.13, subdivision 6, paragraph (d),~~
587.31 ~~pursue a fraud disqualification under section 256.98, take an action against the provider~~

588.1 ~~under chapter 245E, or establish an attendance record overpayment under paragraph (d)~~
588.2 ~~against a current or former provider,~~ When the county or the commissioner knows or has
588.3 reason to believe that ~~the~~ a current or former provider has not complied with the
588.4 record-keeping requirement in this subdivision:

588.5 (1) the commissioner may:

588.6 (i) deny or revoke a provider's authorization to receive child care assistance payments
588.7 under section 119B.13, subdivision 6, paragraph (d);

588.8 (ii) pursue an administrative disqualification under sections 256.046, subdivision 3, and
588.9 256.98; or

588.10 (iii) take an action against the provider under chapter 245E; or

588.11 (2) a county or the commissioner may establish an attendance record overpayment under
588.12 paragraph (d).

588.13 (d) To calculate an attendance record overpayment under this subdivision, the
588.14 commissioner or county agency shall subtract the maximum daily rate from the total amount
588.15 paid to a provider for each day that a child's attendance record is missing, unavailable,
588.16 incomplete, inaccurate, or otherwise inadequate.

588.17 (e) The commissioner shall develop criteria for a county to determine an attendance
588.18 record overpayment under this subdivision.

588.19 **EFFECTIVE DATE.** This section is effective April 28, 2025.

588.20 Sec. 10. Minnesota Statutes 2022, section 119B.125, subdivision 7, is amended to read:

588.21 **Subd. 7. Failure to comply with attendance record requirements.** (a) In establishing
588.22 an overpayment claim for failure to provide attendance records in compliance with
588.23 subdivision 6, the county or commissioner is limited to the six years prior to the date the
588.24 county or the commissioner requested the attendance records.

588.25 (b) The commissioner or county may periodically audit child care providers to determine
588.26 compliance with subdivision 6.

588.27 (c) When the commissioner or county establishes an overpayment claim against a current
588.28 or former provider, the commissioner or county must provide notice of the claim to the
588.29 provider. A notice of overpayment claim must specify the reason for the overpayment, the
588.30 authority for making the overpayment claim, the time period in which the overpayment
588.31 occurred, the amount of the overpayment, and the provider's right to appeal.

589.1 (d) The commissioner or county shall seek to recoup or recover overpayments paid to
589.2 a current or former provider.

589.3 (e) When a provider has been disqualified or convicted of fraud under section 256.98,
589.4 theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent
589.5 billing for a program administered by the commissioner or a county, recoupment or recovery
589.6 must be sought regardless of the amount of overpayment.

589.7 **EFFECTIVE DATE.** This section is effective April 28, 2025.

589.8 Sec. 11. Minnesota Statutes 2022, section 119B.13, subdivision 4, is amended to read:

589.9 Subd. 4. **Rates charged to publicly subsidized families.** Child care providers receiving
589.10 reimbursement under this chapter may not charge a rate to clients receiving assistance under
589.11 this chapter that is higher than the private, full-paying client rate. This subdivision shall not
589.12 prohibit a child care provider receiving reimbursement under this chapter from providing
589.13 discounts, scholarships, or other financial assistance to any clients.

589.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

589.15 Sec. 12. Minnesota Statutes 2022, section 119B.13, subdivision 6, is amended to read:

589.16 Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented
589.17 according to section 119B.125, subdivision 6. The provider shall bill for services provided
589.18 within ten days of the end of the service period. Payments under the child care fund shall
589.19 be made within 21 days of receiving a complete bill from the provider. Counties or the state
589.20 may establish policies that make payments on a more frequent basis.

589.21 (b) If a provider has received an authorization of care and been issued a billing form for
589.22 an eligible family, the bill must be submitted within 60 days of the last date of service on
589.23 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
589.24 county determines that the provider has shown good cause why the bill was not submitted
589.25 within 60 days. Good cause must be defined in the county's child care fund plan under
589.26 section 119B.08, subdivision 3, and the definition of good cause must include county error.
589.27 Any bill submitted more than a year after the last date of service on the bill must not be
589.28 paid.

589.29 (c) If a provider provided care for a time period without receiving an authorization of
589.30 care and a billing form for an eligible family, payment of child care assistance may only be
589.31 made retroactively for a maximum of three months from the date the provider is issued an
589.32 authorization of care and a billing form. For a family at application, if a provider provided

590.1 child care during a time period without receiving an authorization of care and a billing form,
590.2 a county may only make child care assistance payments to the provider retroactively from
590.3 the date that child care began, or from the date that the family's eligibility began under
590.4 section 119B.09, subdivision 7, or from the date that the family meets authorization
590.5 requirements, not to exceed six months from the date that the provider is issued an
590.6 authorization of care and a billing form, whichever is later.

590.7 (d) ~~A county or~~ The commissioner may refuse to issue a child care authorization to a
590.8 certified, licensed, or legal nonlicensed provider, revoke an existing child care authorization
590.9 to a certified, licensed, or legal nonlicensed provider, stop payment issued to a certified,
590.10 licensed, or legal nonlicensed provider, or refuse to pay a bill submitted by a certified,
590.11 licensed, or legal nonlicensed provider if:

590.12 (1) the provider admits to intentionally giving the county materially false information
590.13 on the provider's billing forms;

590.14 (2) ~~a county or~~ the commissioner finds by a preponderance of the evidence that the
590.15 provider intentionally gave the county materially false information on the provider's billing
590.16 forms, or provided false attendance records to a county or the commissioner;

590.17 (3) the provider is in violation of child care assistance program rules, until the agency
590.18 determines those violations have been corrected;

590.19 (4) the provider is operating after:

590.20 (i) an order of suspension of the provider's license issued by the commissioner;

590.21 (ii) an order of revocation of the provider's license issued by the commissioner; or

590.22 (iii) an order of decertification issued to the provider;

590.23 (5) the provider submits false attendance reports or refuses to provide documentation
590.24 of the child's attendance upon request;

590.25 (6) the provider gives false child care price information; or

590.26 (7) the provider fails to report decreases in a child's attendance as required under section
590.27 119B.125, subdivision 9.

590.28 (e) For purposes of paragraph (d), clauses (3), (5), (6), and (7), ~~the county or~~ the
590.29 commissioner may withhold the provider's authorization or payment for a period of time
590.30 not to exceed three months beyond the time the condition has been corrected.

590.31 (f) A county's payment policies must be included in the county's child care plan under
590.32 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in

591.1 compliance with this subdivision, the payments must be made in compliance with section
591.2 16A.124.

591.3 (g) If the commissioner ~~or responsible county agency~~ suspends or refuses payment to a
591.4 provider under paragraph (d), clause (1) or (2), or chapter 245E and the provider has:

591.5 (1) a disqualification for wrongfully obtaining assistance under section 256.98,
591.6 subdivision 8, paragraph (c);

591.7 (2) an administrative disqualification under section 256.046, subdivision 3; or

591.8 (3) a termination under section 245E.02, subdivision 4, paragraph (c), clause (4), or
591.9 245E.06;

591.10 then the provider forfeits the payment to the commissioner or the responsible county agency,
591.11 regardless of the amount assessed in an overpayment, charged in a criminal complaint, or
591.12 ordered as criminal restitution.

591.13 **EFFECTIVE DATE.** This section is effective April 28, 2025.

591.14 Sec. 13. Minnesota Statutes 2022, section 119B.16, subdivision 1c, is amended to read:

591.15 Subd. 1c. **Notice to providers.** (a) Before taking an action appealable under subdivision
591.16 1a, paragraph (b), a county agency or the commissioner must mail written notice to the
591.17 provider against whom the action is being taken. Unless otherwise specified under this
591.18 chapter, chapter 245E, or Minnesota Rules, chapter 3400, a county agency or the
591.19 commissioner must mail the written notice at least 15 calendar days before the adverse
591.20 action's effective date.

591.21 (b) The notice shall state (1) the factual basis for the county agency or department's
591.22 determination, (2) the action the county agency or department intends to take, (3) the dollar
591.23 amount of the monetary recovery or recoupment, if known, and (4) the provider's right to
591.24 appeal the department's proposed action.

591.25 **EFFECTIVE DATE.** This section is effective April 28, 2025.

591.26 Sec. 14. Minnesota Statutes 2022, section 119B.16, subdivision 3, is amended to read:

591.27 Subd. 3. **Fair hearing stayed.** (a) If ~~a county agency or~~ the commissioner denies or
591.28 revokes a provider's authorization based on a licensing action under section 245A.07, and
591.29 the provider appeals, the provider's fair hearing must be stayed until the commissioner issues
591.30 an order as required under section 245A.08, subdivision 5.

592.1 (b) If the commissioner denies or revokes a provider's authorization based on
 592.2 decertification under section 245H.07, and the provider appeals, the provider's fair hearing
 592.3 must be stayed until the commissioner issues a final order as required under section 245H.07.

592.4 **EFFECTIVE DATE.** This section is effective April 28, 2025.

592.5 Sec. 15. Minnesota Statutes 2022, section 119B.161, subdivision 2, is amended to read:

592.6 Subd. 2. **Notice.** (a) ~~A county agency or~~ The commissioner must mail written notice to
 592.7 a provider within five days of suspending payment or denying or revoking the provider's
 592.8 authorization under subdivision 1.

592.9 (b) The notice must:

592.10 (1) state the provision under which ~~a county agency or~~ the commissioner is denying,
 592.11 revoking, or suspending the provider's authorization or suspending payment to the provider;

592.12 (2) set forth the general allegations leading to the denial, revocation, or suspension of
 592.13 the provider's authorization. The notice need not disclose any specific information concerning
 592.14 an ongoing investigation;

592.15 (3) state that the denial, revocation, or suspension of the provider's authorization is for
 592.16 a temporary period and explain the circumstances under which the action expires; and

592.17 (4) inform the provider of the right to submit written evidence and argument for
 592.18 consideration by the commissioner.

592.19 (c) Notwithstanding Minnesota Rules, part 3400.0185, if ~~a county agency or~~ the
 592.20 commissioner suspends payment to a provider under chapter 245E or denies or revokes a
 592.21 provider's authorization under section 119B.13, subdivision 6, paragraph (d), clause (1) or
 592.22 (2), a county agency or the commissioner must send notice of service authorization closure
 592.23 to each affected family. The notice sent to an affected family is effective on the date the
 592.24 notice is created.

592.25 **EFFECTIVE DATE.** This section is effective April 28, 2025.

592.26 Sec. 16. Minnesota Statutes 2022, section 119B.161, subdivision 3, is amended to read:

592.27 Subd. 3. **Duration.** If a provider's payment is suspended under chapter 245E or a
 592.28 provider's authorization is denied or revoked under section 119B.13, subdivision 6, paragraph
 592.29 (d), clause (1) or (2), the provider's denial, revocation, temporary suspension, or payment
 592.30 suspension remains in effect until:

593.1 (1) the commissioner or a law enforcement authority determines that there is insufficient
 593.2 evidence warranting the action and ~~a county agency~~ or the commissioner does not pursue
 593.3 an additional administrative remedy under chapter 245E or section 256.98; or

593.4 (2) all criminal, civil, and administrative proceedings related to the provider's alleged
 593.5 misconduct conclude and any appeal rights are exhausted.

593.6 **EFFECTIVE DATE.** This section is effective April 28, 2025.

593.7 Sec. 17. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

593.8 (a) If a provider believes that the contents of the commissioner's correction order issued
 593.9 under chapter 245E are in error, the provider may ask the commissioner to reconsider the
 593.10 parts of the correction order that are alleged to be in error. The request for reconsideration
 593.11 must be made in writing and must be postmarked and sent to the commissioner or submitted
 593.12 in the provider licensing and reporting hub within 30 calendar days from the date the
 593.13 correction order was mailed or issued through the hub to the provider, and:

593.14 (1) specify the parts of the correction order that are alleged to be in error;

593.15 (2) explain why they are in error; and

593.16 (3) include documentation to support the allegation of error.

593.17 (b) Upon implementation of the provider licensing and reporting hub, the provider must
 593.18 use the hub to request reconsideration.

593.19 (c) A request for reconsideration does not stay any provisions or requirements of the
 593.20 correction order. The commissioner's disposition of a request for reconsideration is final
 593.21 and not subject to appeal under chapter 14. The commissioner's decision is appealable by
 593.22 petition for writ of certiorari under chapter 606.

593.23 Sec. 18. Minnesota Statutes 2022, section 119B.19, subdivision 7, is amended to read:

593.24 Subd. 7. **Child care resource and referral programs.** Within each region, a child care
 593.25 resource and referral program must:

593.26 (1) maintain one database of all existing child care resources and services and one
 593.27 database of family referrals;

593.28 (2) provide a child care referral service for families;

593.29 (3) develop resources to meet the child care service needs of families;

593.30 (4) increase the capacity to provide culturally responsive child care services;

594.1 (5) coordinate professional development opportunities for child care and school-age
594.2 care providers;

594.3 (6) administer and award child care services grants;

594.4 (7) cooperate with the Minnesota Child Care Resource and Referral Network and its
594.5 member programs to develop effective child care services and child care resources; ~~and~~

594.6 (8) assist in fostering coordination, collaboration, and planning among child care programs
594.7 and community programs such as school readiness, Head Start, early childhood family
594.8 education, local interagency early intervention committees, early childhood screening,
594.9 special education services, and other early childhood care and education services and
594.10 programs that provide flexible, family-focused services to families with young children to
594.11 the extent possible;

594.12 (9) administer the child care one-stop regional assistance network to assist child care
594.13 providers and individuals interested in becoming child care providers with establishing and
594.14 sustaining a licensed family child care or group family child care program or a child care
594.15 center; and

594.16 (10) provide supports that enable economically challenged individuals to obtain the job
594.17 skills training, career counseling, and job placement assistance necessary to begin a career
594.18 path in child care.

594.19 **Sec. 19. [119B.252] EARLY CHILDHOOD REGISTERED APPRENTICESHIP**
594.20 **GRANT PROGRAM.**

594.21 Subdivision 1. **Establishment.** The commissioner of human services shall, in coordination
594.22 with the commissioner of labor and industry, establish an apprenticeship grant program to
594.23 provide employment-based training and mentoring opportunities for early childhood workers.

594.24 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
594.25 meanings given.

594.26 (b) "Apprentice" means an employee participating in an early childhood registered
594.27 apprenticeship program.

594.28 (c) "Early childhood registered apprenticeship program" means an organization holding
594.29 the TEACH license with the Department of Human Services that is registered with the
594.30 Department of Labor and Industry under chapter 178.

594.31 (d) "Early childhood signatory employer" means an employer that participates in an
594.32 early childhood registered apprenticeship program and employs an apprentice and that is:

- 595.1 (1) a licensed child care center under Minnesota Rules, chapter 9503;
- 595.2 (2) a licensed family and group family child care provider under Minnesota Rules,
- 595.3 chapter 9502;
- 595.4 (3) an early childhood family education program under section 124D.13; a school
- 595.5 readiness program under section 124D.15; a voluntary prekindergarten program under
- 595.6 section 124D.151; a special education program under chapter 125A; or a school readiness
- 595.7 plus program under Laws 2017, First Special Session chapter 5, article 8, section 9;
- 595.8 (4) a Head Start program under United States Code, title 42, section 9801, et seq.;
- 595.9 (5) a certified license-exempt child care center under chapter 245H; or
- 595.10 (6) a Tribally licensed child care program.
- 595.11 (e) "Mentor" means an early childhood registered apprenticeship program journeyworker
- 595.12 under section 178.011, subdivision 9, who has a career lattice step of nine or higher.
- 595.13 Subd. 3. **Program components.** The organization holding the TEACH license with the
- 595.14 Department of Human Services shall distribute the grant and must use the grant for:
- 595.15 (1) tuition scholarships for apprentices for courses leading to a higher education degree
- 595.16 in early childhood;
- 595.17 (2) stipends for mentors; or
- 595.18 (3) stipends for early childhood signatory employers.
- 595.19 Subd. 4. **Grants to apprentices.** An apprentice may receive a higher education
- 595.20 scholarship of up to \$10,000 for up to 24 months under this section, provided the apprentice:
- 595.21 (1) enrolls in an early childhood registered apprenticeship program;
- 595.22 (2) is a current participant in good standing in the TEACH scholarship program under
- 595.23 section 119B.251;
- 595.24 (3) participates in meetings and on-the-job learning with a mentor consistent with the
- 595.25 requirements in the apprenticeship program standards;
- 595.26 (4) works toward meeting early childhood competencies identified in Minnesota's
- 595.27 Knowledge and Competency Framework for early childhood professionals, as observed by
- 595.28 a mentor; and
- 595.29 (5) works toward the attainment of a higher education degree in early childhood.

596.1 Subd. 5. **Stipends for mentors.** A mentor shall receive up to \$4,000 for each apprentice
 596.2 mentored under this section, provided the mentor complies with the requirements in the
 596.3 apprenticeship program standard and completes eight weeks of mentor training and additional
 596.4 training on observation. Mentors may use money received through stipends for personal
 596.5 expenses. The training must be free of charge to mentors.

596.6 Subd. 6. **Stipends for early childhood signatory employers.** (a) An early childhood
 596.7 signatory employer shall receive up to \$5,000 for each apprentice employed under this
 596.8 section, provided the early childhood signatory employer complies with the requirements
 596.9 in the apprenticeship program standard and the following requirements:

596.10 (1) sponsor each apprentice's TEACH scholarship under section 119B.251; and

596.11 (2) provide each apprentice at least three hours a week of paid release time for
 596.12 coursework.

596.13 (b) An early childhood signatory employer may not employ more than three apprentices
 596.14 at one site in a 12-month period.

596.15 **Sec. 20. [119B.27] GREAT START COMPENSATION SUPPORT PAYMENTS.**

596.16 Subdivision 1. **Establishment.** The commissioner of human services shall establish and
 596.17 administer the great start compensation support payment program to provide eligible child
 596.18 care and early learning programs with payments to improve access to early care and learning
 596.19 in Minnesota and to strengthen the ability of programs to recruit and retain early educators.

596.20 Subd. 2. **Eligible programs.** (a) The following programs are eligible to receive payments
 596.21 under this section:

596.22 (1) family and group family child care homes licensed under Minnesota Rules, chapter
 596.23 9502;

596.24 (2) child care centers licensed under Minnesota Rules, chapter 9503;

596.25 (3) certified license-exempt child care centers under chapter 245H;

596.26 (4) Tribally licensed child care programs; and

596.27 (5) other programs as determined by the commissioner.

596.28 (b) To be eligible, programs must not be:

596.29 (1) the subject of a finding of fraud for which the program or individual is currently
 596.30 serving a penalty or exclusion;

597.1 (2) the subject of suspended, denied, or terminated payments to a provider under section
597.2 256.98, subdivision 1; 119B.13, subdivision 6, paragraph (d), clauses (1) and (2); or 245E.02,
597.3 subdivision 4, paragraph (c), clause (4), regardless of whether the action is under appeal;

597.4 (3) prohibited from receiving public funds under section 245.095, regardless of whether
597.5 the action is under appeal; or

597.6 (4) under license revocation, suspension, temporary immediate suspension, or
597.7 decertification, regardless of whether the action is under appeal.

597.8 Subd. 3. Requirements. (a) As a condition of payment under this section, a program
597.9 must:

597.10 (1) complete an application developed by the commissioner for each payment period
597.11 for which the program applies for funding;

597.12 (2) submit data on child enrollment and attendance to the commissioner in the form and
597.13 manner specified by the commissioner; and

597.14 (3) attest and agree in writing that the program was open and operating and served a
597.15 minimum number of children, as determined by the commissioner, during the funding
597.16 period, with the exceptions of:

597.17 (i) service disruptions that are necessary to protect the safety and health of children and
597.18 child care programs based on public health guidance issued by the Centers for Disease
597.19 Control and Prevention, the commissioner of health, the commissioner of human services,
597.20 or a local public health agency; and

597.21 (ii) planned temporary closures for provider vacation and holidays during each payment
597.22 period. The commissioner must establish the maximum allowed duration for vacations and
597.23 holidays.

597.24 (b) A program must expend money received under this section no later than six months
597.25 after the date the payment was received.

597.26 (c) A program that receives a payment under this section must comply with all
597.27 requirements listed in the application. The commissioner must establish methods to determine
597.28 that the application requirements have been met.

597.29 Subd. 4. Record retention. (a) A program that receives a payment under this section
597.30 must keep accurate and legible records of the following:

597.31 (1) use of money;

598.1 (2) staff employment, compensation, and benefits, which must include time sheets or
598.2 other records of daily hours worked; documentation of compensation and benefits;
598.3 documentation of written changes to employees' rate or rates of pay and basis thereof as a
598.4 result of payments received under this section, as required under section 181.032, paragraphs
598.5 (d) to (f); and any other records required to be maintained under section 177.30; and

598.6 (3) attendance. Daily attendance records must be completed every day and must include
598.7 the date, the first and last name of each child in attendance, and the time each child is dropped
598.8 off at and picked up from the program. To the extent possible, the person dropping off or
598.9 picking up the child must enter the times.

598.10 (b) The requirement to document compensation and benefits under paragraph (a), clause
598.11 (2), applies to family and group family child care homes only if a payment received under
598.12 this section is used for employee compensation or benefits.

598.13 (c) Records identified in paragraph (a) must be retained at the site where services are
598.14 delivered for six years after the date of receipt of payment and must be made immediately
598.15 available to the commissioner upon request. Any records not provided to the commissioner
598.16 at the date and time of request are deemed inadmissible if offered as evidence by a program
598.17 in any proceeding to contest an overpayment or disqualification of the program.

598.18 Subd. 5. **Enforcement.** A program that receives a payment under this section that fails
598.19 to meet the requirements of this section is subject to discontinuation of future installment
598.20 payments, recovery of overpayments, and actions under chapter 245E. Except when based
598.21 on a finding of fraud, actions to establish an overpayment must be made within six years
598.22 of receipt of the payments. Once an overpayment is established, collection may continue
598.23 until money has been repaid in full. The appeal process under section 119B.16 applies to
598.24 actions taken for failure to meet the requirements of this section.

598.25 Subd. 6. **Payments.** (a) The commissioner shall provide payments under this section to
598.26 all eligible programs on a noncompetitive basis. The payment amounts shall be based on
598.27 the number of full-time equivalent staff who regularly care for children in the program,
598.28 including any employees, sole proprietors, or independent contractors.

598.29 (b) For purposes of this section, "one full-time equivalent" is defined as an individual
598.30 caring for children 32 hours per week. An individual can count as more or less than one
598.31 full-time equivalent staff, but as no more than two full-time equivalent staff.

598.32 (c) The commissioner must establish an amount to award per full-time equivalent
598.33 individual who regularly cares for children in the program.

599.1 (d) Payments must be increased by ten percent for programs receiving child care
599.2 assistance payments under section 119B.03 or 119B.05 or early learning scholarships under
599.3 section 124D.165, or for programs located in a child care access equity area. The
599.4 commissioner must develop a method for establishing child care access equity areas. For
599.5 purposes of this section, "child care access equity area" means an area with low access to
599.6 child care, high poverty rates, high unemployment rates, low homeownership rates, and low
599.7 median household incomes.

599.8 (e) The commissioner shall establish the form, frequency, and manner for making
599.9 payments under this section.

599.10 Subd. 7. **Eligible uses of money.** (a) Child care centers licensed under Minnesota Rules,
599.11 chapter 9503, certified license-exempt child care centers under chapter 245H, and Tribally
599.12 licensed child care centers must use money received under this section to pay for increases
599.13 in compensation, benefits, premium pay, or additional federal taxes assessed on the
599.14 compensation of employees as a result of paying increased compensation or premium pay
599.15 to all paid employees or independent contractors regularly caring for children.

599.16 (b) Family and group family child care homes licensed under Minnesota Rules, chapter
599.17 9502, and Tribally licensed family child care homes must use money received under this
599.18 section for one or more of the following purposes:

599.19 (1) paying personnel costs, such as payroll, salaries, or similar compensation; employee
599.20 benefits; premium pay; or financial incentives for recruitment and retention for an employee,
599.21 a sole proprietor, or an independent contractor;

599.22 (2) paying rent, including rent under a lease agreement, or making payments on any
599.23 mortgage obligation, utilities, facility maintenance or improvements, property taxes, or
599.24 insurance;

599.25 (3) purchasing or updating equipment, supplies, goods, or services;

599.26 (4) providing mental health supports for children; or

599.27 (5) purchasing training or other professional development.

599.28 Subd. 8. **Legal nonlicensed child care provider payments.** (a) Legal nonlicensed child
599.29 care providers, as defined in section 119B.011, subdivision 16, are eligible to apply for a
599.30 payment of up to \$500 for costs incurred before the first month when payments from the
599.31 child care assistance program are issued.

599.32 (b) A payment received under this subdivision must be used for one or more of the
599.33 following activities:

600.1 (1) purchasing or updating equipment, supplies, goods, or services; or

600.2 (2) purchasing training or other professional development.

600.3 (c) The commissioner shall determine the form and manner of the application for a
600.4 payment under this subdivision.

600.5 Subd. 9. Report. By January 1 each year, the commissioner must report to the chairs
600.6 and ranking minority members of the legislative committees with jurisdiction over child
600.7 care and early learning the number of payments provided to programs and related outcomes
600.8 since the last report. This subdivision expires January 31, 2033.

600.9 Subd. 10. Carryforward authority. Money appropriated under this section is available
600.10 until expended.

600.11 **Sec. 21. [119B.28] SHARED SERVICES GRANTS.**

600.12 Subdivision 1. Establishment. The commissioner of human services shall establish a
600.13 grant program to award money to public entities and private for-profit and nonprofit
600.14 organizations for planning, establishment, expansion, improvement, or operation of shared
600.15 services alliances.

600.16 Subd. 2. Shared services alliances. For purposes of this section, "shared services
600.17 alliances" are networks of eligible entities that share services to reduce costs and achieve
600.18 efficiencies. "Eligible entities" are:

600.19 (1) family and group family child care homes licensed under Minnesota Rules, chapter
600.20 9502;

600.21 (2) Tribally licensed family child care programs; and

600.22 (3) individuals in the process of starting a family or group family child care home.

600.23 Subd. 3. Eligible uses of money. Grantees must use money received under this section
600.24 to deliver one or more of the following services:

600.25 (1) pooling management of payroll and benefits, banking, janitorial services, food
600.26 services, and other operations;

600.27 (2) shared administrative staff for tasks such as record keeping and complying with
600.28 reporting requirements for programs, including but not limited to the child care assistance
600.29 program, Head Start, the child and adult care food program, and early learning scholarships;

600.30 (3) coordination of bulk purchasing;

600.31 (4) management of a substitute pool;

601.1 (5) support for implementing shared curriculum and assessments;

601.2 (6) mentoring of child care providers to improve business practices;

601.3 (7) provision of and training in child care management software to simplify processes

601.4 such as enrollment, billing, and tracking expenditures;

601.5 (8) support for a group of providers sharing one or more physical spaces within a larger

601.6 building; or

601.7 (9) other services as determined by the commissioner.

601.8 Subd. 4. **Administration; reporting.** (a) The commissioner must develop a process to

601.9 award grants under this section that includes application forms, timelines, and standards for

601.10 renewals.

601.11 (b) The commissioner must develop a process by which grantees will report to the

601.12 department on how grant money was spent.

601.13 Sec. 22. **[119B.29] CHILD CARE PROVIDER ACCESS TO TECHNOLOGY**

601.14 **GRANTS.**

601.15 Subdivision 1. **Establishment.** The commissioner of human services shall award money

601.16 under this section to one or more eligible organizations to offer grants or other supports to

601.17 eligible child care providers for technology intended to improve the providers' business

601.18 practices.

601.19 Subd. 2. **Eligibility.** (a) To be eligible for a grant from the department under this section,

601.20 an organization must be a public entity or private for-profit or nonprofit organization with:

601.21 (1) the ability to develop technology products for child care business management; or

601.22 (2) the ability to offer training, technical assistance, coaching, or other supports to help

601.23 child care providers learn to use technology products for child care business management.

601.24 (b) Grantees may award grants or offer supports under this section to the following types

601.25 of child care providers:

601.26 (1) family or group family child care homes licensed under Minnesota Rules, chapter

601.27 9502;

601.28 (2) child care centers licensed under Minnesota Rules, chapter 9503; and

601.29 (3) Tribally licensed child care programs.

602.1 Subd. 3. **Eligible uses of money.** Grantees must use money received under this section,
 602.2 either directly or through grants to eligible child care providers, for one or more of the
 602.3 following purposes:

602.4 (1) the purchase of computers or mobile devices for use in business management;

602.5 (2) access to the Internet through the provision of necessary hardware such as routers
 602.6 or modems or by covering the costs of monthly fees for Internet access;

602.7 (3) covering the costs of subscription to child care management software;

602.8 (4) covering the costs of training in the use of technology for business management
 602.9 purposes; or

602.10 (5) other services as determined by the commissioner.

602.11 Subd. 4. **Administration.** The commissioner must develop a process to award grants
 602.12 under this section that includes application forms, timelines, reporting requirements, and
 602.13 standards for renewal.

602.14 Sec. 23. Minnesota Statutes 2022, section 256.046, subdivision 3, is amended to read:

602.15 **Subd. 3. Administrative disqualification of child care providers caring for children**
 602.16 **receiving child care assistance.** (a) The department ~~or local agency~~ shall pursue an
 602.17 administrative disqualification, if the child care provider is accused of committing an
 602.18 intentional program violation, in lieu of a criminal action when it has not been pursued.
 602.19 Intentional program violations include intentionally making false or misleading statements;
 602.20 intentionally misrepresenting, concealing, or withholding facts; and repeatedly and
 602.21 intentionally violating program regulations under chapters 119B and 245E. Intent may be
 602.22 proven by demonstrating a pattern of conduct that violates program rules under chapters
 602.23 119B and 245E.

602.24 (b) To initiate an administrative disqualification, ~~a local agency or~~ the commissioner
 602.25 must mail written notice by certified mail to the provider against whom the action is being
 602.26 taken. Unless otherwise specified under chapter 119B or 245E or Minnesota Rules, chapter
 602.27 3400, ~~a local agency or~~ the commissioner must mail the written notice at least 15 calendar
 602.28 days before the adverse action's effective date. The notice shall state (1) the factual basis
 602.29 for the agency's determination, (2) the action the agency intends to take, (3) the dollar amount
 602.30 of the monetary recovery or recoupment, if known, and (4) the provider's right to appeal
 602.31 the agency's proposed action.

603.1 (c) The provider may appeal an administrative disqualification by submitting a written
603.2 request to the Department of Human Services, Appeals Division. A provider's request must
603.3 be received by the Appeals Division no later than 30 days after the date ~~a local agency or~~
603.4 the commissioner mails the notice.

603.5 (d) The provider's appeal request must contain the following:

603.6 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
603.7 dollar amount involved for each disputed item;

603.8 (2) the computation the provider believes to be correct, if applicable;

603.9 (3) the statute or rule relied on for each disputed item; and

603.10 (4) the name, address, and telephone number of the person at the provider's place of
603.11 business with whom contact may be made regarding the appeal.

603.12 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
603.13 preponderance of the evidence that the provider committed an intentional program violation.

603.14 (f) The hearing is subject to the requirements of sections 256.045 and 256.0451. The
603.15 human services judge may combine a fair hearing and administrative disqualification hearing
603.16 into a single hearing if the factual issues arise out of the same or related circumstances and
603.17 the provider receives prior notice that the hearings will be combined.

603.18 (g) A provider found to have committed an intentional program violation and is
603.19 administratively disqualified shall be disqualified, for a period of three years for the first
603.20 offense and permanently for any subsequent offense, from receiving any payments from
603.21 any child care program under chapter 119B.

603.22 (h) Unless a timely and proper appeal made under this section is received by the
603.23 department, the administrative determination of the department is final and binding.

603.24 **EFFECTIVE DATE.** This section is effective April 28, 2025.

603.25 Sec. 24. Minnesota Statutes 2022, section 256.983, subdivision 5, is amended to read:

603.26 Subd. 5. **Child care providers; financial misconduct.** (a) A county or Tribal agency
603.27 may conduct investigations of financial misconduct by child care providers as described in
603.28 chapter 245E. Prior to opening an investigation, a county or Tribal agency must contact the
603.29 commissioner to determine whether an investigation under this chapter may compromise
603.30 an ongoing investigation.

604.1 (b) If, upon investigation, a preponderance of evidence shows a provider committed an
 604.2 intentional program violation, intentionally gave the county or Tribe materially false
 604.3 information on the provider's billing forms, provided false attendance records to a county,
 604.4 Tribe, or the commissioner, or committed financial misconduct as described in section
 604.5 245E.01, subdivision 8, the county or Tribal agency may recommend that the commissioner
 604.6 suspend a provider's payment pursuant to chapter 245E, or deny or revoke a provider's
 604.7 authorization pursuant to section 119B.13, subdivision 6, paragraph (d), clause (2), prior to
 604.8 pursuing other available remedies. ~~The county or tribe must send notice in accordance with~~
 604.9 ~~the requirements of section 119B.161, subdivision 2. If a provider's payment is suspended~~
 604.10 ~~under this section, the payment suspension shall remain in effect until: (1) the commissioner,~~
 604.11 ~~county, tribe, or a law enforcement authority determines that there is insufficient evidence~~
 604.12 ~~warranting the action and a county, tribe, or the commissioner does not pursue an additional~~
 604.13 ~~administrative remedy under chapter 119B or 245E, or section 256.046 or 256.98; or (2)~~
 604.14 ~~all criminal, civil, and administrative proceedings related to the provider's alleged misconduct~~
 604.15 ~~conclude and any appeal rights are exhausted.~~

604.16 (e) ~~For the purposes of this section, an intentional program violation includes intentionally~~
 604.17 ~~making false or misleading statements; intentionally misrepresenting, concealing, or~~
 604.18 ~~withholding facts; and repeatedly and intentionally violating program regulations under~~
 604.19 ~~chapters 119B and 245E.~~

604.20 (d) ~~A provider has the right to administrative review under section 119B.161 if: (1)~~
 604.21 ~~payment is suspended under chapter 245E; or (2) the provider's authorization was denied~~
 604.22 ~~or revoked under section 119B.13, subdivision 6, paragraph (d), clause (2).~~

604.23 **EFFECTIVE DATE.** This section is effective April 28, 2025.

604.24 Sec. 25. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD**
 604.25 **CARE AND EARLY EDUCATION PROFESSIONAL WAGE SCALE.**

604.26 (a) The commissioner of human services shall develop, in consultation with the
 604.27 commissioners of employment and economic development and education, the Children's
 604.28 Cabinet, and relevant stakeholders, a process for recognizing comparable competencies for
 604.29 use in a wage scale and a child care and early education professional wage scale that:

604.30 (1) implements the wage scale recommendations made by the Great Start for All
 604.31 Minnesota Children Task Force under Laws 2021, First Special Session chapter 7, article
 604.32 14, section 18;

605.1 (2) provides recommended wages that are equivalent to elementary school educators
605.2 with similar credentials and experience;

605.3 (3) provides recommended levels of compensation and benefits, such as professional
605.4 development stipends, health care benefits, and retirement benefits, that vary based on child
605.5 care and early education professional roles and qualifications and other criteria established
605.6 by the commissioner;

605.7 (4) incorporates, to the extent feasible, qualifications inclusive of competencies attained
605.8 through experience, training, and educational attainment; and

605.9 (5) is applicable to the following types of child care and early education programs:

605.10 (i) licensed family and group family child care under Minnesota Rules, chapter 9502;

605.11 (ii) licensed child care centers under Minnesota Rules, chapter 9503;

605.12 (iii) certified, license-exempt child care centers under Minnesota Statutes, chapter 245H;

605.13 (iv) voluntary prekindergarten and school readiness plus programs;

605.14 (v) school readiness programs;

605.15 (vi) early childhood family education programs;

605.16 (vii) programs for children who are eligible for Part B or Part C of the Individuals with
605.17 Disabilities Education Act, Public Law 108-446; and

605.18 (viii) Head Start programs.

605.19 (b) By January 30, 2025, the commissioner shall report to the legislative committees
605.20 with jurisdiction over early childhood programs on the development of the wage scale, make
605.21 recommendations for implementing a process for recognizing comparable competencies,
605.22 and make recommendations about how the wage scale could be used to inform payment
605.23 rates for child care assistance under Minnesota Statutes, chapter 119B, and great start
605.24 scholarships under Minnesota Statutes, section 119C.01.

605.25 **Sec. 26. DIRECTION TO COMMISSIONER; TRANSITION CHILD CARE**
605.26 **STABILIZATION GRANTS.**

605.27 (a) The commissioner of human services must continue providing child care stabilization
605.28 grants under Laws 2021, First Special Session chapter 7, article 14, section 21, from July
605.29 1, 2023, through no later than December 31, 2023.

605.30 (b) The commissioner shall award transition child care stabilization grant amounts to
605.31 all eligible programs. The transition month grant amounts must be based on the number of

606.1 full-time equivalent staff who regularly care for children in the program, including employees,
 606.2 sole proprietors, or independent contractors. One full-time equivalent staff is defined as an
 606.3 individual caring for children 32 hours per week. An individual can count as more, or less,
 606.4 than one full-time equivalent staff, but as no more than two full-time equivalent staff.

606.5 **ARTICLE 14**

606.6 **CHILD SUPPORT, SAFETY, AND PERMANENCY**

606.7 **Section 1. [245.0962] QUALITY PARENTING INITIATIVE GRANT PROGRAM.**

606.8 Subdivision 1. **Establishment.** The commissioner of human services must establish a
 606.9 quality parenting initiative grant program to implement quality parenting initiative principles
 606.10 and practices to support children and families experiencing foster care placements.

606.11 Subd. 2. **Eligible applicants.** To be eligible for a grant under this section, an applicant
 606.12 must be a nonprofit organization or a nongovernmental organization and must have
 606.13 experience providing training and technical assistance on how to implement quality parenting
 606.14 initiative principles and practices.

606.15 Subd. 3. **Application.** An organization seeking a grant under this section must apply to
 606.16 the commissioner in the time and manner specified by the commissioner.

606.17 Subd. 4. **Grant activities.** Grant money must be used to provide training and technical
 606.18 assistance to county and Tribal agencies, community-based agencies, and other stakeholders
 606.19 on:

606.20 (1) conducting initial foster care telephone calls under section 260C.219, subdivision 6;
 606.21 (2) supporting practices that create birth family to foster family partnerships; and
 606.22 (3) informing child welfare practices by supporting youth leadership and the participation
 606.23 of individuals with experience in the foster care system.

606.24 **Sec. 2. [256.4793] FAMILY FIRST PREVENTION SERVICES ACT SUPPORT**
 606.25 **AND DEVELOPMENT GRANT PROGRAM.**

606.26 Subdivision 1. **Authorization.** The commissioner shall establish a grant program to
 606.27 support prevention and early intervention services in order to implement and build upon
 606.28 Minnesota's Family First Prevention Services Act Title IV-E prevention services plan.

606.29 Subd. 2. **Uses.** Grant funds must be used to:

606.30 (1) implement or expand any Family First Prevention Services Act service or program
 606.31 that is included in Minnesota's prevention services plan;

607.1 (2) implement or expand any proposed future Family First Prevention Services Act
 607.2 service or program;

607.3 (3) implement or expand any prevention or family preservation service or programming;
 607.4 or

607.5 (4) evaluate any of the programs or services listed in this subdivision.

607.6 Subd. 3. **Special revenue account established.** (a) Funds appropriated under this section
 607.7 shall be transferred to a special revenue account. The commissioner shall retain federal
 607.8 reimbursement generated under this section. Federal reimbursement shall be transferred to
 607.9 the special revenue account and is appropriated to the commissioner for the purposes of
 607.10 this section.

607.11 (b) The commissioner must provide an annual report to the chairs and ranking minority
 607.12 members of the legislative committees with jurisdiction over health and human services
 607.13 policy and finance that identifies the amount of funds appropriated and transferred to this
 607.14 account under paragraph (a) and how the funds were used.

607.15 Sec. 3. **[256.4794] FAMILY FIRST PREVENTION SERVICES ACT KINSHIP**
 607.16 **NAVIGATOR PROGRAM.**

607.17 Subdivision 1. **Authorization.** The commissioner shall establish a grant program for
 607.18 Kinship Navigator programs as outlined by the federal Family First Prevention Services
 607.19 Act.

607.20 Subd. 2. **Uses.** Eligible grantees must use funds to assess kinship caregiver needs, provide
 607.21 connections to local and statewide resources, provide case management to assist with
 607.22 complex cases, and provide support to meet caregiver needs.

607.23 Subd. 3. **Special revenue account established.** (a) Funds appropriated under this section
 607.24 shall be transferred to a special revenue account. The commissioner shall retain federal
 607.25 reimbursement generated under this section. Federal reimbursement shall be transferred to
 607.26 the special revenue account and is appropriated to the commissioner for the purposes of
 607.27 this section.

607.28 (b) The commissioner must provide an annual report to the chairs and ranking minority
 607.29 members of the legislative committees with jurisdiction over health and human services
 607.30 policy and finance that identifies the amount of funds appropriated and transferred to this
 607.31 account under paragraph (a) and how the funds were used.

608.1 Sec. 4. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

608.2 Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a)

608.3 Any agency completing initial assessments, special assessments, or reassessments must
608.4 designate one or more supervisors or other staff to examine and approve assessments
608.5 completed by others in the agency under subdivision 2. The person approving an assessment
608.6 must not be the case manager or staff member completing that assessment.

608.7 (b) In cases where a special assessment or reassessment for Northstar kinship assistance
608.8 and adoption assistance is required under subdivision 8 or 11, the commissioner shall review
608.9 and approve the assessment as part of the eligibility determination process outlined in section
608.10 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision
608.11 7, for adoption assistance. The assessment determines the maximum of the negotiated
608.12 agreement amount under section 256N.25.

608.13 (c) The effective date of the new rate is effective the calendar month that the assessment
608.14 is approved, or the effective date of the agreement, whichever is later. determined as follows:

608.15 (1) for initial assessments of children in foster care, the new rate is effective based on
608.16 the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision
608.17 6;

608.18 (2) for special assessments, the new rate is effective on the date of the finalized adoption
608.19 decree or the date of the court order that transfers permanent legal and physical custody to
608.20 a relative;

608.21 (3) for postpermanency reassessments, the new rate is effective on the date that the
608.22 commissioner signs the amendment to the Northstar Adoption Assistance or Northstar
608.23 Kinship Assistance benefit agreement.

608.24 Sec. 5. **[260.014] FAMILY FIRST PREVENTION AND EARLY INTERVENTION**
608.25 **ALLOCATION PROGRAM.**

608.26 Subdivision 1. **Authorization.** The commissioner shall establish a program that allocates
608.27 money to counties and federally recognized Tribes in Minnesota to provide prevention and
608.28 early intervention services under the Family First Prevention Services Act.

608.29 Subd. 2. **Uses.** (a) Money allocated to counties and Tribes may be used for the following
608.30 purposes:

608.31 (1) to implement or expand any service or program that is included in the state's
608.32 prevention plan;

609.1 (2) to implement or expand any proposed service or program;

609.2 (3) to implement or expand any existing service or program; and

609.3 (4) any other use approved by the commissioner.

609.4 A county or a Tribe must use at least ten percent of the allocation to provide services and
609.5 supports directly to families.

609.6 Subd. 3. **Payments.** (a) The commissioner shall allocate state money appropriated under
609.7 this section to each county board or Tribe on a calendar-year basis using a formula established
609.8 by the commissioner.

609.9 (b) A county agency or an initiative Tribe must submit a plan and report the use of money
609.10 as determined by the commissioner.

609.11 (c) The commissioner may distribute money under this section for a two-year period.

609.12 Subd. 4. **Prohibition on supplanting existing money.** Money received under this section
609.13 must be used to address prevention and early intervention staffing, programming, and other
609.14 activities as determined by the commissioner. Money must not be used to supplant current
609.15 county or Tribal expenditures for these purposes.

609.16 Sec. 6. Minnesota Statutes 2022, section 260.761, subdivision 2, as amended by Laws
609.17 2023, chapter 16, section 16, is amended to read:

609.18 Subd. 2. **Notice to Tribes of services or court proceedings involving an Indian**
609.19 **child.** (a) When a child-placing agency has information that a family assessment ~~or~~₂
609.20 investigation, or noncaregiver sex trafficking assessment being conducted may involve an
609.21 Indian child, the child-placing agency shall notify the Indian child's Tribe of the family
609.22 assessment ~~or~~₂ investigation, or noncaregiver sex trafficking assessment according to section
609.23 260E.18. The child-placing agency shall provide initial notice ~~shall be provided~~ by telephone
609.24 and by email or facsimile and shall include the child's full name and date of birth; the full
609.25 names and dates of birth of the child's biological parents; and if known the full names and
609.26 dates of birth of the child's grandparents and of the child's Indian custodian. If information
609.27 regarding the child's grandparents or Indian custodian is not immediately available, the
609.28 child-placing agency shall continue to request this information and shall notify the Tribe
609.29 when it is received. Notice shall be provided to all Tribes to which the child may have any
609.30 Tribal lineage. The child-placing agency shall request that the Tribe or a designated Tribal
609.31 representative participate in evaluating the family circumstances, identifying family and
609.32 Tribal community resources, and developing case plans. The child-placing agency shall
609.33 continue to include the Tribe in service planning and updates as to the progress of the case.

610.1 (b) When a child-placing agency has information that a child receiving services may be
610.2 an Indian child, the child-placing agency shall notify the Tribe by telephone and by email
610.3 or facsimile of the child's full name and date of birth, the full names and dates of birth of
610.4 the child's biological parents, and, if known, the full names and dates of birth of the child's
610.5 grandparents and of the child's Indian custodian. This notification must be provided ~~so~~ for
610.6 the Tribe ~~can~~ to determine if the child is a member or eligible for Tribal membership in the
610.7 ~~Tribe, and must be provided~~ the agency must provide this notification to the Tribe within
610.8 seven days of receiving information that the child may be an Indian child. If information
610.9 regarding the child's grandparents or Indian custodian is not available within the seven-day
610.10 period, the child-placing agency shall continue to request this information and shall notify
610.11 the Tribe when it is received. Notice shall be provided to all Tribes to which the child may
610.12 have any Tribal lineage.

610.13 (c) In all child placement proceedings, when a court has reason to believe that a child
610.14 placed in emergency protective care is an Indian child, the court administrator or a designee
610.15 shall, as soon as possible and before a hearing takes place, notify the Tribal social services
610.16 agency by telephone and by email or facsimile of the date, time, and location of the
610.17 emergency protective care or other initial hearing. The court shall make efforts to allow
610.18 appearances by telephone or video conference for Tribal representatives, parents, and Indian
610.19 custodians.

610.20 (d) The child-placing agency or individual petitioner shall effect service of any petition
610.21 governed by sections 260.751 to 260.835 by certified mail or registered mail, return receipt
610.22 requested upon the Indian child's parents, Indian custodian, and Indian child's Tribe at least
610.23 10 days before the admit-deny hearing is held. If the identity or location of the Indian child's
610.24 parents or Indian custodian and Tribe cannot be determined, the child-placing agency shall
610.25 provide the notice required in this paragraph to the United States Secretary of the Interior,
610.26 Bureau of Indian Affairs by certified mail, return receipt requested.

610.27 (e) A Tribe, the Indian child's parents, or the Indian custodian may request up to 20
610.28 additional days to prepare for the admit-deny hearing. The court shall allow appearances
610.29 by telephone, video conference, or other electronic medium for Tribal representatives, the
610.30 Indian child's parents, or the Indian custodian.

610.31 (f) A child-placing agency or individual petitioner must provide the notices required
610.32 under this subdivision at the earliest possible time to facilitate involvement of the Indian
610.33 child's Tribe. Nothing in this subdivision is intended to hinder the ability of the child-placing
610.34 agency, individual petitioner, and the court to respond to an emergency situation. Lack of
610.35 participation by a Tribe shall not prevent the Tribe from intervening in services and

611.1 proceedings at a later date. A Tribe may participate in a case at any time. At any stage of
 611.2 the child-placing agency's involvement with an Indian child, the agency shall provide full
 611.3 cooperation to the Tribal social services agency, including disclosure of all data concerning
 611.4 the Indian child. Nothing in this subdivision relieves the child-placing agency of satisfying
 611.5 the notice requirements in state or federal law.

611.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

611.7 **Sec. 7. [260.786] CHILD WELFARE STAFF ALLOCATION FOR TRIBES.**

611.8 **Subdivision 1. Allocations.** The commissioner shall allocate \$80,000 annually to each
 611.9 of Minnesota's federally recognized Tribes that, at the beginning of the fiscal year, have not
 611.10 joined and are not in the process of planning to join the American Indian Child welfare
 611.11 initiative under section 256.01, subdivision 14b. Tribes not participating in or planning to
 611.12 join the initiative as of July 1, 2023, are: Bois Fort Band of Chippewa, Fond du Lac Band
 611.13 of Lake Superior Chippewa, Grand Portage Band of Lake Superior Chippewa, Lower Sioux
 611.14 Indian Community, Prairie Island Indian Community, and Upper Sioux Indian Community.

611.15 **Subd. 2. Purposes.** Money must be used to address staffing for responding to notifications
 611.16 under the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, to
 611.17 the extent necessary, or to provide other child protection and child welfare services. Money
 611.18 must not be used to supplant current Tribal expenditures for these purposes.

611.19 **Subd. 3. Reporting.** By June 1 each year, Tribes receiving this money shall provide a
 611.20 report to the commissioner. The report shall be written in a manner prescribed by the
 611.21 commissioner and must include an accounting of money spent, staff hired, job duties, and
 611.22 other information as required by the commissioner.

611.23 **Subd. 4. Redistribution of money.** If a Tribe joins the American Indian child welfare
 611.24 initiative, the payment for that Tribe shall be distributed equally among the remaining Tribes
 611.25 receiving an allocation under this section.

611.26 **Sec. 8.** Minnesota Statutes 2022, section 260C.007, subdivision 14, is amended to read:

611.27 **Subd. 14. Egregious harm.** "Egregious harm" means the infliction of bodily harm to a
 611.28 child or neglect of a child which demonstrates a grossly inadequate ability to provide
 611.29 minimally adequate parental care. The egregious harm need not have occurred in the state
 611.30 or in the county where a termination of parental rights action ~~is otherwise properly venued~~
 611.31 has proper venue. Egregious harm includes, but is not limited to:

612.1 (1) conduct ~~towards~~ toward a child that constitutes a violation of sections 609.185 to
 612.2 609.2114, 609.222, subdivision 2, 609.223, or any other similar law of any other state;

612.3 (2) the infliction of "substantial bodily harm" to a child, as defined in section 609.02,
 612.4 subdivision 7a;

612.5 (3) conduct ~~towards~~ toward a child that constitutes felony malicious punishment of a
 612.6 child under section 609.377;

612.7 (4) conduct ~~towards~~ toward a child that constitutes felony unreasonable restraint of a
 612.8 child under section 609.255, subdivision 3;

612.9 (5) conduct ~~towards~~ toward a child that constitutes felony neglect or endangerment of
 612.10 a child under section 609.378;

612.11 (6) conduct ~~towards~~ toward a child that constitutes assault under section 609.221, 609.222,
 612.12 or 609.223;

612.13 (7) conduct ~~towards~~ toward a child that constitutes sex trafficking, solicitation,
 612.14 inducement, ~~or~~ promotion of, or receiving profit derived from prostitution under section
 612.15 609.322;

612.16 (8) conduct ~~towards~~ toward a child that constitutes murder or voluntary manslaughter
 612.17 as defined by United States Code, title 18, section 1111(a) or 1112(a);

612.18 (9) conduct ~~towards~~ toward a child that constitutes aiding or abetting, attempting,
 612.19 conspiring, or soliciting to commit a murder or voluntary manslaughter that constitutes a
 612.20 violation of United States Code, title 18, section 1111(a) or 1112(a); or

612.21 (10) conduct toward a child that constitutes criminal sexual conduct under sections
 612.22 609.342 to 609.345 or sexual extortion under section 609.3458.

612.23 Sec. 9. Minnesota Statutes 2022, section 260C.007, subdivision 26d, is amended to read:

612.24 Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment
 612.25 program" means a children's residential treatment program licensed under chapter 245A or
 612.26 licensed or approved by a tribe that is approved to receive foster care maintenance payments
 612.27 under section 256.82 that:

612.28 (1) has a trauma-informed treatment model designed to address the needs of children
 612.29 with serious emotional or behavioral disorders or disturbances;

612.30 (2) has registered or licensed nursing staff and other licensed clinical staff who:

612.31 (i) provide care within the scope of their practice; and

613.1 (ii) are available 24 hours per day and seven days per week;

613.2 (3) is accredited by any of the following independent, nonprofit organizations: the
613.3 Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission
613.4 on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation
613.5 (COA), or any other nonprofit accrediting organization approved by the United States
613.6 Department of Health and Human Services;

613.7 (4) if it is in the child's best interests, facilitates participation of the child's family members
613.8 in the child's treatment programming consistent with the child's out-of-home placement
613.9 plan under sections 260C.212, subdivision 1, and 260C.708;

613.10 (5) facilitates outreach to family members of the child, including siblings;

613.11 (6) documents how the facility facilitates outreach to the child's parents and relatives,
613.12 as well as documents the child's parents' and other relatives' contact information;

613.13 (7) documents how the facility includes family members in the child's treatment process,
613.14 including after the child's discharge, and how the facility maintains the child's sibling
613.15 connections; and

613.16 (8) provides the child and child's family with discharge planning and family-based
613.17 aftercare support for at least six months after the child's discharge. Aftercare support may
613.18 include clinical care consultation under section 256B.0671, subdivision 7, and mental health
613.19 certified family peer specialist services under section 256B.0616.

613.20 Sec. 10. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

613.21 Subdivision 1. **Relative search requirements.** (a) The responsible social services agency
613.22 shall exercise due diligence to identify and notify adult relatives, as defined in section
613.23 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
613.24 within 30 days after the child's removal from the parent, regardless of whether a child is
613.25 placed in a relative's home, as required under subdivision 2. The relative search required
613.26 by this section shall be comprehensive in scope.

613.27 (b) The relative search required by this section shall include both maternal and paternal
613.28 adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians
613.29 of the child's siblings; and any other adult relatives suggested by the child's parents, subject
613.30 to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall
613.31 also include getting information from the child in an age-appropriate manner about who the
613.32 child considers to be family members and important friends with whom the child has resided
613.33 or had significant contact. The relative search required under this section must fulfill the

614.1 agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the
614.2 breakup of the Indian family under United States Code, title 25, section 1912(d), and to
614.3 meet placement preferences under United States Code, title 25, section 1915.

614.4 (c) The responsible social services agency has a continuing responsibility to search for
614.5 and identify relatives of a child and send the notice to relatives that is required under
614.6 subdivision 2, unless the court has relieved the agency of this duty under subdivision 5,
614.7 paragraph (e).

614.8 Sec. 11. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

614.9 Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the
614.10 order terminating parental rights, and a summary of the court's information concerning the
614.11 child shall be furnished by the court to the commissioner or the agency to which guardianship
614.12 is transferred.

614.13 (b) The orders shall be on a document separate from the findings. The court shall furnish
614.14 the guardian a copy of the order terminating parental rights.

614.15 (c) When the court orders guardianship pursuant to this section, the guardian ad litem
614.16 and counsel for the child shall continue on the case until an adoption decree is entered. An
614.17 in-court appearance hearing must be held every 90 days following termination of parental
614.18 rights for the court to review progress toward an adoptive placement and the specific
614.19 recruitment efforts the agency has taken to find an adoptive family for the child and to
614.20 finalize the adoption or other permanency plan. Review of the progress toward adoption of
614.21 a child under guardianship of the commissioner of human services shall be conducted
614.22 according to section 260C.607.

614.23 (d) Upon terminating parental rights or upon a parent's consent to adoption under
614.24 ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or section 260C.515, subdivision~~
614.25 ~~5~~ 3, resulting in an order for guardianship to the commissioner of human services, the court
614.26 shall retain jurisdiction:

614.27 (1) until the child is adopted;

614.28 (2) through the child's minority; or

614.29 (3) as long as the child continues in or reenters foster care, until the individual becomes
614.30 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

615.1 Sec. 12. Minnesota Statutes 2022, section 260C.80, subdivision 1, is amended to read:

615.2 Subdivision 1. **Office of the Foster Youth Ombudsperson.** The Office of the Foster
 615.3 Youth Ombudsperson is hereby created. The ombudsperson serves ~~at the pleasure of the~~
 615.4 ~~governor~~ in the unclassified service, must be selected without regard to political affiliation,
 615.5 and must be a person highly competent and qualified to work to improve the lives of youth
 615.6 in the foster care system, while understanding the administration and public policy related
 615.7 to youth in the foster care system. The ombudsperson may be removed only for just cause.
 615.8 No person may serve as the foster youth ombudsperson while holding any other public
 615.9 office. The foster youth ombudsperson is accountable to the governor and may investigate
 615.10 decisions, acts, and other matters related to the health, safety, and welfare of youth in foster
 615.11 care to promote the highest attainable standards of competence, efficiency, and justice for
 615.12 youth who are in the care of the state.

615.13 Sec. 13. Minnesota Statutes 2022, section 260E.01, is amended to read:

615.14 **260E.01 POLICY.**

615.15 ~~(a)~~ The legislature hereby declares that the public policy of this state is to protect children
 615.16 whose health or welfare may be jeopardized through maltreatment. While it is recognized
 615.17 that most parents want to keep their children safe, sometimes circumstances or conditions
 615.18 interfere with their ability to do so. When this occurs, the health and safety of the children
 615.19 must be of paramount concern. Intervention and prevention efforts must address immediate
 615.20 concerns for child safety and the ongoing risk of maltreatment and should engage the
 615.21 protective capacities of families. In furtherance of this public policy, it is the intent of the
 615.22 legislature under this chapter to:

615.23 (1) protect children and promote child safety;

615.24 (2) strengthen the family;

615.25 (3) make the home, school, and community safe for children by promoting responsible
 615.26 child care in all settings, including through the reporting of child maltreatment; ~~and~~

615.27 (4) provide protective, family support, and family preservation services when appropriate;

615.28 and

615.29 ~~(4)~~ (5) provide, when necessary, a safe temporary or permanent home environment for
 615.30 maltreated children.

615.31 ~~(b) In addition, it is the policy of this state to:~~

616.1 ~~(1) require the reporting of maltreatment of children in the home, school, and community~~
 616.2 ~~settings;~~

616.3 ~~(2) provide for the voluntary reporting of maltreatment of children;~~

616.4 ~~(3) require an investigation when the report alleges sexual abuse or substantial child~~
 616.5 ~~endangerment;~~

616.6 ~~(4) provide a family assessment, if appropriate, when the report does not allege sexual~~
 616.7 ~~abuse or substantial child endangerment; and~~

616.8 ~~(5) provide protective, family support, and family preservation services when needed~~
 616.9 ~~in appropriate cases.~~

616.10 Sec. 14. Minnesota Statutes 2022, section 260E.02, subdivision 1, is amended to read:

616.11 Subdivision 1. **Establishment of team.** A county shall establish a multidisciplinary
 616.12 child protection team that may include, but is not be limited to, the director of the local
 616.13 welfare agency or designees, the county attorney or designees, the county sheriff or designees,
 616.14 representatives of health and education, representatives of mental health, representatives of
 616.15 agencies providing specialized services or responding to youth who experience or are at
 616.16 risk of experiencing sex trafficking or sexual exploitation, or other appropriate human
 616.17 services or community-based agencies, and parent groups. As used in this section, a
 616.18 "community-based agency" may include, but is not limited to, schools, social services
 616.19 agencies, family service and mental health collaboratives, children's advocacy centers, early
 616.20 childhood and family education programs, Head Start, or other agencies serving children
 616.21 and families. A member of the team must be designated as the lead person of the team
 616.22 responsible for the planning process to develop standards for the team's activities with
 616.23 battered women's and domestic abuse programs and services.

616.24 Sec. 15. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
 616.25 to read:

616.26 Subd. 15a. **Noncaregiver sex trafficker.** "Noncaregiver sex trafficker" means an
 616.27 individual who is alleged to have engaged in the act of sex trafficking a child and who is
 616.28 not a person responsible for the child's care, who does not have a significant relationship
 616.29 with the child as defined in section 609.341, and who is not a person in a current or recent
 616.30 position of authority as defined in section 609.341, subdivision 10.

616.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

617.1 Sec. 16. Minnesota Statutes 2022, section 260E.03, is amended by adding a subdivision
617.2 to read:

617.3 Subd. 15b. **Noncaregiver sex trafficking assessment.** "Noncaregiver sex trafficking
617.4 assessment" is a comprehensive assessment of child safety, the risk of subsequent child
617.5 maltreatment, and strengths and needs of the child and family. The local welfare agency
617.6 shall only perform a noncaregiver sex trafficking assessment when a maltreatment report
617.7 alleges sex trafficking of a child by someone other than the child's caregiver. A noncaregiver
617.8 sex trafficking assessment does not include a determination of whether child maltreatment
617.9 occurred. A noncaregiver sex trafficking assessment includes a determination of a family's
617.10 need for services to address the safety of the child or children, the safety of family members,
617.11 and the risk of subsequent child maltreatment.

617.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

617.13 Sec. 17. Minnesota Statutes 2022, section 260E.03, subdivision 22, is amended to read:

617.14 Subd. 22. **Substantial child endangerment.** "Substantial child endangerment" means
617.15 that a person responsible for a child's care, by act or omission, commits or attempts to
617.16 commit an act against a child ~~under their~~ in the person's care that constitutes any of the
617.17 following:

617.18 (1) egregious harm under subdivision 5;

617.19 (2) abandonment under section 260C.301, subdivision 2;

617.20 (3) neglect under subdivision 15, paragraph (a), clause (2), that substantially endangers
617.21 the child's physical or mental health, including a growth delay, which may be referred to
617.22 as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

617.23 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

617.24 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

617.25 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

617.26 (7) sex trafficking, solicitation, inducement, ~~and~~ or promotion of prostitution under
617.27 section 609.322;

617.28 (8) criminal sexual conduct under sections 609.342 to 609.3451;

617.29 (9) sexual extortion under section 609.3458;

617.30 (10) solicitation of children to engage in sexual conduct under section 609.352;

618.1 (11) malicious punishment or neglect or endangerment of a child under section 609.377
 618.2 or 609.378;

618.3 (12) use of a minor in sexual performance under section 617.246; or

618.4 (13) parental behavior, status, or condition ~~that mandates that~~ requiring the county
 618.5 attorney to file a termination of parental rights petition under section 260C.503, subdivision
 618.6 2.

618.7 Sec. 18. Minnesota Statutes 2022, section 260E.14, subdivision 2, is amended to read:

618.8 Subd. 2. **Sexual abuse.** (a) The local welfare agency is the agency responsible for
 618.9 investigating an allegation of sexual abuse if the alleged offender is the parent, guardian,
 618.10 sibling, or an individual functioning within the family unit as a person responsible for the
 618.11 child's care, or a person with a significant relationship to the child if that person resides in
 618.12 the child's household.

618.13 (b) The local welfare agency is also responsible for assessing or investigating when a
 618.14 child is identified as a victim of sex trafficking.

618.15 **EFFECTIVE DATE.** This section is effective July 1, 2024.

618.16 Sec. 19. Minnesota Statutes 2022, section 260E.14, subdivision 5, is amended to read:

618.17 Subd. 5. **Law enforcement.** (a) The local law enforcement agency is the agency
 618.18 responsible for investigating a report of maltreatment if a violation of a criminal statute is
 618.19 alleged.

618.20 (b) Law enforcement and the responsible agency must coordinate their investigations
 618.21 or assessments as required under this chapter when ~~the:~~ (1) a report alleges maltreatment
 618.22 that is a violation of a criminal statute by a person who is a parent, guardian, sibling, person
 618.23 responsible for the child's care functioning within the family unit, or by a person who lives
 618.24 in the child's household and who has a significant relationship to the child; in a setting other
 618.25 than a facility as defined in section 260E.03; or (2) a report alleges sex trafficking of a child.

618.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

618.27 Sec. 20. Minnesota Statutes 2022, section 260E.17, subdivision 1, is amended to read:

618.28 Subdivision 1. **Local welfare agency.** (a) Upon receipt of a report, the local welfare
 618.29 agency shall determine whether to conduct a family assessment ~~or,~~ an investigation, or a
 618.30 noncaregiver sex trafficking assessment as appropriate to prevent or provide a remedy for
 618.31 maltreatment.

619.1 (b) The local welfare agency shall conduct an investigation when the report involves
619.2 sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.

619.3 (c) The local welfare agency shall begin an immediate investigation ~~if~~, at any time when
619.4 the local welfare agency is ~~using~~ responding with a family assessment ~~response~~, and the
619.5 local welfare agency determines that there is reason to believe that sexual abuse ~~or~~, substantial
619.6 child endangerment, or a serious threat to the child's safety exists.

619.7 (d) The local welfare agency may conduct a family assessment for reports that do not
619.8 allege sexual abuse, except as indicated in paragraph (f), or substantial child endangerment.
619.9 In determining that a family assessment is appropriate, the local welfare agency may consider
619.10 issues of child safety, parental cooperation, and the need for an immediate response.

619.11 (e) The local welfare agency may conduct a family assessment ~~on~~ for a report that was
619.12 initially screened and assigned for an investigation. In determining that a complete
619.13 investigation is not required, the local welfare agency must document the reason for
619.14 terminating the investigation and notify the local law enforcement agency if the local law
619.15 enforcement agency is conducting a joint investigation.

619.16 (f) The local welfare agency shall conduct a noncaregiver sex trafficking assessment
619.17 when a maltreatment report alleges sex trafficking of a child and the alleged offender is a
619.18 noncaregiver sex trafficker as defined by section 260E.03, subdivision 15a.

619.19 (g) During a noncaregiver sex trafficking assessment, the local welfare agency shall
619.20 initiate an immediate investigation if there is reason to believe that a child's parent, caregiver,
619.21 or household member allegedly engaged in the act of sex trafficking a child or was alleged
619.22 to have engaged in any conduct requiring the agency to conduct an investigation.

619.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

619.24 Sec. 21. Minnesota Statutes 2022, section 260E.18, is amended to read:

619.25 **260E.18 NOTICE TO CHILD'S TRIBE.**

619.26 The local welfare agency shall provide immediate notice, according to section 260.761,
619.27 subdivision 2, to an Indian child's Tribe when the agency has reason to believe that the
619.28 family assessment or, investigation, or noncaregiver sex trafficking assessment may involve
619.29 an Indian child. For purposes of this section, "immediate notice" means notice provided
619.30 within 24 hours.

619.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

620.1 Sec. 22. Minnesota Statutes 2022, section 260E.20, subdivision 2, is amended to read:

620.2 Subd. 2. **Face-to-face contact.** (a) Upon receipt of a screened in report, the local welfare
620.3 agency shall ~~conduct a~~ have face-to-face contact with the child reported to be maltreated
620.4 and with the child's primary caregiver sufficient to complete a safety assessment and ensure
620.5 the immediate safety of the child. When it is possible and the report alleges substantial child
620.6 endangerment or sexual abuse, the local welfare agency is not required to provide notice
620.7 before conducting the initial face-to-face contact with the child and the child's primary
620.8 caregiver.

620.9 (b) Except in a noncaregiver sex trafficking assessment, the local welfare agency shall
620.10 have face-to-face contact with the child and primary caregiver shall occur immediately after
620.11 the agency screens in a report if sexual abuse or substantial child endangerment is alleged
620.12 and within five calendar days of a screened in report for all other reports. If the alleged
620.13 offender was not already interviewed as the primary caregiver, the local welfare agency
620.14 shall also conduct a face-to-face interview with the alleged offender in the early stages of
620.15 the assessment or investigation, except in a noncaregiver sex trafficking assessment.
620.16 Face-to-face contact with the child and primary caregiver in response to a report alleging
620.17 sexual abuse or substantial child endangerment may be postponed for no more than five
620.18 calendar days if the child is residing in a location that is confirmed to restrict contact with
620.19 the alleged offender as established in guidelines issued by the commissioner, or if the local
620.20 welfare agency is pursuing a court order for the child's caregiver to produce the child for
620.21 questioning under section 260E.22, subdivision 5.

620.22 (c) At the initial contact with the alleged offender, the local welfare agency or the agency
620.23 responsible for assessing or investigating the report must inform the alleged offender of the
620.24 complaints or allegations made against the individual in a manner consistent with laws
620.25 protecting the rights of the person who made the report. The interview with the alleged
620.26 offender may be postponed if it would jeopardize an active law enforcement investigation.
620.27 In a noncaregiver sex trafficking assessment, the local child welfare agency is not required
620.28 to inform or interview the alleged offender.

620.29 (d) The local welfare agency or the agency responsible for assessing or investigating
620.30 the report must provide the alleged offender with an opportunity to make a statement, except
620.31 in a noncaregiver sex trafficking assessment. The alleged offender may submit supporting
620.32 documentation relevant to the assessment or investigation.

620.33 **EFFECTIVE DATE.** This section is effective July 1, 2024.

621.1 Sec. 23. Minnesota Statutes 2022, section 260E.24, subdivision 2, is amended to read:

621.2 Subd. 2. **Determination after family assessment or a noncaregiver sex trafficking**
621.3 **assessment.** After conducting a family assessment or a noncaregiver sex trafficking
621.4 assessment, the local welfare agency shall determine whether child protective services are
621.5 needed to address the safety of the child and other family members and the risk of subsequent
621.6 maltreatment. The local welfare agency must document the information collected under
621.7 section 260E.20, subdivision 3, related to the completed family assessment in the child's or
621.8 family's case notes.

621.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

621.10 Sec. 24. Minnesota Statutes 2022, section 260E.24, subdivision 7, is amended to read:

621.11 Subd. 7. **Notification at conclusion of family assessment or a noncaregiver sex**
621.12 **trafficking assessment.** Within ten working days of the conclusion of a family assessment
621.13 or a noncaregiver sex trafficking assessment, the local welfare agency shall notify the parent
621.14 or guardian of the child of the need for services to address child safety concerns or significant
621.15 risk of subsequent maltreatment. The local welfare agency and the family may also jointly
621.16 agree that family support and family preservation services are needed.

621.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

621.18 Sec. 25. Minnesota Statutes 2022, section 260E.33, subdivision 1, is amended to read:

621.19 Subdivision 1. **Following a family assessment or a noncaregiver sex trafficking**
621.20 **assessment.** Administrative reconsideration is not applicable to a family assessment or
621.21 noncaregiver sex trafficking assessment since no determination concerning maltreatment
621.22 is made.

621.23 **EFFECTIVE DATE.** This section is effective July 1, 2024.

621.24 Sec. 26. Minnesota Statutes 2022, section 260E.35, subdivision 6, is amended to read:

621.25 Subd. 6. **Data retention.** (a) Notwithstanding sections 138.163 and 138.17, a record
621.26 maintained or a record derived from a report of maltreatment by a local welfare agency,
621.27 agency responsible for assessing or investigating the report, court services agency, or school
621.28 under this chapter shall be destroyed as provided in paragraphs (b) to (e) by the responsible
621.29 authority.

621.30 (b) For a report alleging maltreatment that was not accepted for an assessment or an
621.31 investigation, a family assessment case, a noncaregiver sex trafficking assessment case, and

622.1 a case where an investigation results in no determination of maltreatment or the need for
622.2 child protective services, the record must be maintained for a period of five years after the
622.3 date that the report was not accepted for assessment or investigation or the date of the final
622.4 entry in the case record. A record of a report that was not accepted must contain sufficient
622.5 information to identify the subjects of the report, the nature of the alleged maltreatment,
622.6 and the reasons ~~as to~~ why the report was not accepted. Records under this paragraph may
622.7 not be used for employment, background checks, or purposes other than to assist in future
622.8 screening decisions and risk and safety assessments.

622.9 (c) All records relating to reports that, upon investigation, indicate ~~either~~ maltreatment
622.10 or a need for child protective services shall be maintained for ten years after the date of the
622.11 final entry in the case record.

622.12 (d) All records regarding a report of maltreatment, including a notification of intent to
622.13 interview that was received by a school under section 260E.22, subdivision 7, shall be
622.14 destroyed by the school when ordered to do so by the agency conducting the assessment or
622.15 investigation. The agency shall order the destruction of the notification when other records
622.16 relating to the report under investigation or assessment are destroyed under this subdivision.

622.17 (e) Private or confidential data released to a court services agency under subdivision 3,
622.18 paragraph (d), must be destroyed by the court services agency when ordered to do so by the
622.19 local welfare agency that released the data. The local welfare agency or agency responsible
622.20 for assessing or investigating the report shall order destruction of the data when other records
622.21 relating to the assessment or investigation are destroyed under this subdivision.

622.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

622.23 Sec. 27. Minnesota Statutes 2022, section 518A.31, is amended to read:

622.24 **518A.31 SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS**
622.25 **RECEIVED ON BEHALF OF THE CHILD.**

622.26 (a) The amount of the monthly Social Security benefits or apportioned veterans' benefits
622.27 provided for a joint child shall be included in the gross income of the parent on whose
622.28 eligibility the benefits are based.

622.29 (b) The amount of the monthly survivors' and dependents' educational assistance provided
622.30 for a joint child shall be included in the gross income of the parent on whose eligibility the
622.31 benefits are based.

622.32 (c) If Social Security or apportioned veterans' benefits are provided for a joint child
622.33 based on the eligibility of the obligor, and are received by the obligee as a representative

623.1 payee for the child or by the child attending school, then the amount of the benefits shall
 623.2 also be subtracted from the obligor's net child support obligation as calculated pursuant to
 623.3 section 518A.34.

623.4 (d) If the survivors' and dependents' educational assistance is provided for a joint child
 623.5 based on the eligibility of the obligor, and is received by the obligee as a representative
 623.6 payee for the child or by the child attending school, then the amount of the assistance shall
 623.7 also be subtracted from the obligor's net child support obligation as calculated under section
 623.8 518A.34.

623.9 (e) Upon a motion to modify child support, any regular or lump sum payment of Social
 623.10 Security or apportioned veterans' benefit received by the obligee for the benefit of the joint
 623.11 child based upon the obligor's disability prior to filing the motion to modify may be used
 623.12 to satisfy arrears that remain due for the period of time for which the benefit was received.
 623.13 This paragraph applies only if the derivative benefit was not considered in the guidelines
 623.14 calculation of the previous child support order.

623.15 **EFFECTIVE DATE.** This section is effective January 1, 2025.

623.16 Sec. 28. Minnesota Statutes 2022, section 518A.32, subdivision 3, is amended to read:

623.17 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
 623.18 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,
 623.19 underemployed, or employed on a less than full-time basis upon a showing by the parent
 623.20 that:

623.21 (1) the unemployment, underemployment, or employment on a less than full-time basis
 623.22 is temporary and will ultimately lead to an increase in income;

623.23 (2) the unemployment, underemployment, or employment on a less than full-time basis
 623.24 represents a bona fide career change that outweighs the adverse effect of that parent's
 623.25 diminished income on the child; ~~or~~

623.26 (3) the unemployment, underemployment, or employment on a less than full-time basis
 623.27 is because a parent is physically or mentally incapacitated or due to incarceration; or

623.28 (4) a governmental agency authorized to determine eligibility for general assistance or
 623.29 supplemental Social Security income has determined that the individual is eligible to receive
 623.30 general assistance or supplemental Social Security income. Actual income earned by the
 623.31 parent may be considered for the purpose of calculating child support.

623.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

624.1 Sec. 29. Minnesota Statutes 2022, section 518A.32, subdivision 4, is amended to read:

624.2 Subd. 4. **TANF or MFIP recipient.** If the parent of a joint child is a recipient of a
624.3 temporary assistance to a needy family (TANF) cash grant; or comparable state-funded
624.4 Minnesota family investment program (MFIP) benefits, no potential income is to be imputed
624.5 to that parent.

624.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

624.7 Sec. 30. Minnesota Statutes 2022, section 518A.34, is amended to read:

624.8 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

624.9 (a) To determine the presumptive child support obligation of a parent, the court shall
624.10 follow the procedure set forth in this section.

624.11 (b) To determine the obligor's basic support obligation, the court shall:

624.12 (1) determine the gross income of each parent under section 518A.29;

624.13 (2) calculate the parental income for determining child support (PICS) of each parent,
624.14 by subtracting from the gross income the credit, if any, for each parent's nonjoint children
624.15 under section 518A.33;

624.16 (3) determine the percentage contribution of each parent to the combined PICS by
624.17 dividing the combined PICS into each parent's PICS;

624.18 (4) determine the combined basic support obligation by application of the guidelines in
624.19 section 518A.35;

624.20 (5) determine each parent's share of the combined basic support obligation by multiplying
624.21 the percentage figure from clause (3) by the combined basic support obligation in clause
624.22 (4); and

624.23 (6) apply the parenting expense adjustment formula provided in section 518A.36 to
624.24 determine the obligor's basic support obligation.

624.25 (c) If the parents have split custody of joint children, child support must be calculated
624.26 for each joint child as follows:

624.27 (1) the court shall determine each parent's basic support obligation under paragraph (b)
624.28 and include the amount of each parent's obligation in the court order. If the basic support
624.29 calculation results in each parent owing support to the other, the court shall offset the higher
624.30 basic support obligation with the lower basic support obligation to determine the amount
624.31 to be paid by the parent with the higher obligation to the parent with the lower obligation.

625.1 For the purpose of the cost-of-living adjustment required under section 518A.75, the
625.2 adjustment must be based on each parent's basic support obligation prior to offset. For the
625.3 purposes of this paragraph, "split custody" means that there are two or more joint children
625.4 and each parent has at least one joint child more than 50 percent of the time;

625.5 (2) if each parent pays all child care expenses for at least one joint child, the court shall
625.6 calculate child care support for each joint child as provided in section 518A.40. The court
625.7 shall determine each parent's child care support obligation and include the amount of each
625.8 parent's obligation in the court order. If the child care support calculation results in each
625.9 parent owing support to the other, the court shall offset the higher child care support
625.10 obligation with the lower child care support obligation to determine the amount to be paid
625.11 by the parent with the higher obligation to the parent with the lower obligation; and

625.12 (3) if each parent pays all medical or dental insurance expenses for at least one joint
625.13 child, medical support shall be calculated for each joint child as provided in section 518A.41.
625.14 The court shall determine each parent's medical support obligation and include the amount
625.15 of each parent's obligation in the court order. If the medical support calculation results in
625.16 each parent owing support to the other, the court shall offset the higher medical support
625.17 obligation with the lower medical support obligation to determine the amount to be paid by
625.18 the parent with the higher obligation to the parent with the lower obligation. Unreimbursed
625.19 and uninsured medical expenses are not included in the presumptive amount of support
625.20 owed by a parent and are calculated and collected as provided in section 518A.41.

625.21 (d) The court shall determine the child care support obligation for the obligor as provided
625.22 in section 518A.40.

625.23 (e) The court shall determine the medical support obligation for each parent as provided
625.24 in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the
625.25 presumptive amount of support owed by a parent and are calculated and collected as described
625.26 in section 518A.41.

625.27 (f) The court shall determine each parent's total child support obligation by adding
625.28 together each parent's basic support, child care support, and health care coverage obligations
625.29 as provided in this section.

625.30 (g) If Social Security benefits or veterans' benefits are received by one parent as a
625.31 representative payee for a joint child based on the other parent's eligibility, the court shall
625.32 subtract the amount of benefits from the other parent's net child support obligation, if any.
625.33 Any benefit received by the obligee for the benefit of the joint child based upon the obligor's

626.1 disability or past earnings in any given month in excess of the child support obligation must
 626.2 not be treated as an arrearage payment or a future payment.

626.3 (h) The final child support order shall separately designate the amount owed for basic
 626.4 support, child care support, and medical support. If applicable, the court shall use the
 626.5 self-support adjustment and minimum support adjustment under section 518A.42 to determine
 626.6 the obligor's child support obligation.

626.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

626.8 Sec. 31. Minnesota Statutes 2022, section 518A.41, is amended to read:

626.9 **518A.41 MEDICAL SUPPORT.**

626.10 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and
 626.11 chapter 518.

626.12 (a) "Health care coverage" means ~~medical, dental, or other health care benefits that are~~
 626.13 ~~provided by one or more health plans. Health care coverage does not include any form of~~
 626.14 ~~public coverage~~ private health care coverage, including fee for service, health maintenance
 626.15 organization, preferred provider organization, and other types of private health care coverage.
 626.16 Health care coverage also means public health care coverage under which medical or dental
 626.17 services could be provided to a dependent child.

626.18 (b) ~~"Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and~~
 626.19 ~~62L.02, subdivision 16.~~

626.20 (c) ~~"Health plan"~~ (b) "Private health care coverage" means a health plan, other than any
 626.21 form of public coverage, that provides medical, dental, or other health care benefits and is:

626.22 (1) provided on an individual or group basis;

626.23 (2) provided by an employer or union;

626.24 (3) purchased in the private market; ~~or~~

626.25 (4) provided through MinnesotaCare under chapter 256L; or

626.26 ~~(4)~~ (5) available to a person eligible to carry insurance for the joint child, including a
 626.27 party's spouse or parent.

626.28 ~~Health plan~~ Private health care coverage includes, but is not limited to, a health plan meeting
 626.29 the definition under section 62A.011, subdivision 3, except that the exclusion of coverage
 626.30 designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause
 626.31 (6), does not apply to the definition of ~~health plan~~ private health care coverage under this

627.1 section; a group health plan governed under the federal Employee Retirement Income
 627.2 Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and
 627.3 471.617; and a policy, contract, or certificate issued by a community-integrated service
 627.4 network licensed under chapter 62N.

627.5 (c) "Public health care coverage" means health care benefits provided by any form of
 627.6 medical assistance under chapter 256B. Public health care coverage does not include
 627.7 MinnesotaCare or health plans subsidized by federal premium tax credits or federal
 627.8 cost-sharing reductions.

627.9 (d) "Medical support" means providing health care coverage for a joint child ~~by carrying~~
 627.10 ~~health care coverage for the joint child or~~ by contributing to the cost of health care coverage,
 627.11 ~~public coverage,~~ unreimbursed ~~medical~~ health-related expenses, and uninsured ~~medical~~
 627.12 health-related expenses of the joint child.

627.13 (e) "National medical support notice" means an administrative notice issued by the public
 627.14 authority to enforce health insurance provisions of a support order in accordance with Code
 627.15 of Federal Regulations, title 45, section 303.32, in cases where the public authority provides
 627.16 support enforcement services.

627.17 ~~(f) "Public coverage" means health care benefits provided by any form of medical~~
 627.18 ~~assistance under chapter 256B. Public coverage does not include MinnesotaCare or health~~
 627.19 ~~plans subsidized by federal premium tax credits or federal cost-sharing reductions.~~

627.20 ~~(g)~~ (f) "Uninsured ~~medical~~ health-related expenses" means a joint child's reasonable and
 627.21 necessary ~~health-related~~ medical and dental expenses if the joint child is not covered by a
 627.22 ~~health plan or public coverage~~ private health insurance care when the expenses are incurred.

627.23 ~~(h)~~ (g) "Unreimbursed ~~medical~~ health-related expenses" means a joint child's reasonable
 627.24 and necessary ~~health-related~~ medical and dental expenses if a joint child is covered by a
 627.25 ~~health plan or public coverage~~ health care coverage and the ~~plan or~~ health care coverage
 627.26 does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed
 627.27 ~~medical~~ health-related expenses do not include the cost of premiums. Unreimbursed ~~medical~~
 627.28 health-related expenses include, but are not limited to, deductibles, co-payments, and
 627.29 expenses for orthodontia, and prescription eyeglasses and contact lenses, but not
 627.30 over-the-counter medications if ~~coverage is under a health plan~~ provided through health
 627.31 care coverage.

627.32 Subd. 2. **Order.** (a) A completed national medical support notice issued by the public
 627.33 authority or a court order that complies with this section is a qualified medical child support

628.1 order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United
628.2 States Code, title 29, section 1169(a).

628.3 (b) Every order addressing child support must state:

628.4 (1) the names, last known addresses, and Social Security numbers of the parents and the
628.5 joint child that is a subject of the order unless the court prohibits the inclusion of an address
628.6 or Social Security number and orders the parents to provide the address and Social Security
628.7 number to the administrator of the health plan;

628.8 (2) ~~if a joint child is not presently enrolled in health care coverage~~, whether appropriate
628.9 health care coverage for the joint child is available and, if so, state:

628.10 (i) the parents' responsibilities for carrying health care coverage;

628.11 (ii) the cost of premiums and how the cost is allocated between the parents; ~~and~~

628.12 (iii) the circumstances, if any, under which an obligation to provide private health care
628.13 coverage for the joint child will shift from one parent to the other; and

628.14 ~~(3) if appropriate health care coverage is not available for the joint child;~~ (iv) whether
628.15 a contribution for ~~medical support~~ public health care coverage is required; and

628.16 ~~(4)~~ (3) how unreimbursed or uninsured ~~medical~~ health-related expenses will be allocated
628.17 between the parents.

628.18 Subd. 3. **Determining appropriate health care coverage.** Public health care coverage
628.19 is presumed appropriate. In determining whether a parent has appropriate private health
628.20 care coverage for the joint child, the court must consider the following factors:

628.21 (1) comprehensiveness of private health care coverage providing medical benefits.

628.22 Dependent private health care coverage providing medical benefits is presumed
628.23 comprehensive if it includes medical and hospital coverage and provides for preventive,
628.24 emergency, acute, and chronic care; or if it meets the minimum essential coverage definition
628.25 in United States Code, title 26, section 5000A(f). If both parents have private health care
628.26 coverage providing medical benefits that is presumed comprehensive under this paragraph,
628.27 the court must determine which parent's private health care coverage is more comprehensive
628.28 by considering what other benefits are included in the private health care coverage;

628.29 (2) accessibility. Dependent private health care coverage is accessible if the covered
628.30 joint child can obtain services from a health plan provider with reasonable effort by the
628.31 parent with whom the joint child resides. Private health care coverage is presumed accessible
628.32 if:

629.1 (i) primary care is available within 30 minutes or 30 miles of the joint child's residence
 629.2 and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

629.3 (ii) the private health care coverage is available through an employer and the employee
 629.4 can be expected to remain employed for a reasonable amount of time; and

629.5 (iii) no preexisting conditions exist to unduly delay enrollment in private health care
 629.6 coverage;

629.7 (3) the joint child's special medical needs, if any; and

629.8 (4) affordability. Dependent private health care coverage is presumed affordable if it is
 629.9 ~~reasonable in cost. If both parents have health care coverage available for a joint child that~~
 629.10 ~~is comparable with regard to comprehensiveness of medical benefits, accessibility, and the~~
 629.11 ~~joint child's special needs, the least costly health care coverage is presumed to be the most~~
 629.12 ~~appropriate health care coverage for the joint child~~ the premium to cover the marginal cost
 629.13 of the joint child does not exceed five percent of the parents' combined monthly PICS. A
 629.14 court may additionally consider high deductibles and the cost to enroll the parent if the
 629.15 parent must enroll themselves in private health care coverage to access private health care
 629.16 coverage for the child.

629.17 Subd. 4. **Ordering health care coverage.** ~~(a) If a joint child is presently enrolled in~~
 629.18 ~~health care coverage, the court must order that the parent who currently has the joint child~~
 629.19 ~~enrolled continue that enrollment unless the parties agree otherwise or a party requests a~~
 629.20 ~~change in coverage and the court determines that other health care coverage is more~~
 629.21 ~~appropriate.~~

629.22 ~~(b) If a joint child is not presently enrolled in health care coverage providing medical~~
 629.23 ~~benefits, upon motion of a parent or the public authority, the court must determine whether~~
 629.24 ~~one or both parents have appropriate health care coverage providing medical benefits for~~
 629.25 ~~the joint child.~~

629.26 (a) If a joint child is presently enrolled in health care coverage, the court shall order that
 629.27 the parent who currently has the joint child enrolled in health care coverage continue that
 629.28 enrollment if the health care coverage is appropriate as defined under subdivision 3.

629.29 ~~(e)~~ (b) If only one parent has appropriate health care coverage providing medical benefits
 629.30 available, the court must order that parent to carry the coverage for the joint child.

629.31 ~~(d)~~ (c) If both parents have appropriate health care coverage providing medical benefits
 629.32 available, the court must order the parent with whom the joint child resides to carry the
 629.33 health care coverage for the joint child, unless:

630.1 (1) a party expresses a preference for private health care coverage providing medical
630.2 benefits available through the parent with whom the joint child does not reside;

630.3 (2) the parent with whom the joint child does not reside is already carrying dependent
630.4 private health care coverage providing medical benefits for other children and the cost of
630.5 contributing to the premiums of the other parent's health care coverage would cause the
630.6 parent with whom the joint child does not reside extreme hardship; or

630.7 (3) the parties agree as to which parent will carry health care coverage providing medical
630.8 benefits and agree on the allocation of costs.

630.9 ~~(e)~~ (d) If the exception in paragraph ~~(d)~~ (c), clause (1) or (2), applies, the court must
630.10 determine which parent has the most appropriate health care coverage providing medical
630.11 benefits available and order that parent to carry health care coverage for the joint child.

630.12 ~~(f)~~ (e) If neither parent has appropriate health care coverage available, the court must
630.13 order the parents to:

630.14 ~~(1)~~ contribute toward the actual health care costs of the joint children based on a pro
630.15 rata share; ~~or~~.

630.16 ~~(2) if the joint child is receiving any form of public coverage, the parent with whom the~~
630.17 ~~joint child does not reside shall contribute a monthly amount toward the actual cost of public~~
630.18 ~~coverage. The amount of the noncustodial parent's contribution is determined by applying~~
630.19 ~~the noncustodial parent's PICS to the premium scale for MinnesotaCare under section~~
630.20 ~~256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility~~
630.21 ~~requirements for MinnesotaCare, the contribution is the amount the noncustodial parent~~
630.22 ~~would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility~~
630.23 ~~requirements, the contribution is the amount of the premium for the highest eligible income~~
630.24 ~~on the premium scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph~~
630.25 ~~(d). For purposes of determining the premium amount, the noncustodial parent's household~~
630.26 ~~size is equal to one parent plus the child or children who are the subject of the child support~~
630.27 ~~order. The custodial parent's obligation is determined under the requirements for public~~
630.28 ~~coverage as set forth in chapter 256B; or~~

630.29 ~~(3) if the noncustodial parent's PICS meet the eligibility requirement for public coverage~~
630.30 ~~under chapter 256B or the noncustodial parent receives public assistance, the noncustodial~~
630.31 ~~parent must not be ordered to contribute toward the cost of public coverage.~~

631.1 ~~(g)~~ (f) If neither parent has appropriate health care coverage available, the court may
 631.2 order the parent with whom the child resides to apply for public health care coverage for
 631.3 the child.

631.4 ~~(h) The commissioner of human services must publish a table with the premium schedule~~
 631.5 ~~for public coverage and update the chart for changes to the schedule by July 1 of each year.~~

631.6 ~~(i)~~ (g) If a joint child is not presently enrolled in private health care coverage providing
 631.7 dental benefits, upon motion of a parent or the public authority, the court must determine
 631.8 whether one or both parents have appropriate ~~dental~~ private health care coverage providing
 631.9 dental benefits for the joint child, and the court may order a parent with appropriate ~~dental~~
 631.10 private health care coverage providing dental benefits available to carry the health care
 631.11 coverage for the joint child.

631.12 ~~(j)~~ (h) If a joint child is not presently enrolled in available private health care coverage
 631.13 providing benefits other than medical benefits or dental benefits, upon motion of a parent
 631.14 or the public authority, the court may determine whether ~~that other~~ private health care
 631.15 coverage providing other health benefits for the joint child is appropriate, and the court may
 631.16 order a parent with that appropriate private health care coverage available to carry the
 631.17 coverage for the joint child.

631.18 Subd. 5. **Medical support costs; unreimbursed and uninsured medical health-related**
 631.19 **expenses.** (a) Unless otherwise agreed to by the parties and approved by the court, the court
 631.20 must order that the cost of private health care coverage and all unreimbursed and uninsured
 631.21 ~~medical health-related~~ expenses ~~under the health plan~~ be divided between the obligor and
 631.22 obligee based on their proportionate share of the parties' combined monthly PICS. The
 631.23 amount allocated for medical support is considered child support but is not subject to a
 631.24 cost-of-living adjustment under section 518A.75.

631.25 (b) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered
 631.26 to carry private health care coverage for the joint child, and the other party is ordered to
 631.27 contribute to the carrying party's cost for coverage, the carrying party's ~~child~~ basic support
 631.28 payment must be reduced by the amount of the contributing party's contribution.

631.29 (c) If a party owes a ~~joint child~~ basic support obligation for a joint child and is ordered
 631.30 to contribute to the other party's cost for carrying private health care coverage for the joint
 631.31 child, the contributing party's child support payment must be increased by the amount of
 631.32 the contribution. The contribution toward private health care coverage must not be charged
 631.33 in any month in which the party ordered to carry private health care coverage fails to maintain
 631.34 private coverage.

632.1 (d) If the party ordered to carry private health care coverage for the joint child already
632.2 carries dependent private health care coverage for other dependents and would incur no
632.3 additional premium costs to add the joint child to the existing health care coverage, the court
632.4 must not order the other party to contribute to the premium costs for health care coverage
632.5 of the joint child.

632.6 (e) If a party ordered to carry private health care coverage for the joint child does not
632.7 already carry dependent private health care coverage but has other dependents who may be
632.8 added to the ordered health care coverage, the full premium costs of the dependent private
632.9 health care coverage must be allocated between the parties in proportion to the party's share
632.10 of the parties' combined monthly PICS, unless the parties agree otherwise.

632.11 (f) If a party ordered to carry private health care coverage for the joint child is required
632.12 to enroll in a health plan so that the joint child can be enrolled in dependent private health
632.13 care coverage under the plan, the court must allocate the costs of the dependent private
632.14 health care coverage between the parties. The costs of the private health care coverage for
632.15 the party ordered to carry the health care coverage for the joint child must not be allocated
632.16 between the parties.

632.17 (g) If the joint child is receiving any form of public health care coverage:

632.18 (1) the parent with whom the joint child does not reside shall contribute a monthly
632.19 amount toward the actual cost of public health care coverage. The amount of the noncustodial
632.20 parent's contribution is determined by applying the noncustodial parent's PICS to the premium
632.21 scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the
632.22 noncustodial parent's PICS meets the eligibility requirements for MinnesotaCare, the
632.23 contribution is the amount that the noncustodial parent would pay for the child's premium;

632.24 (2) if the noncustodial parent's PICS exceeds the eligibility requirements, the contribution
632.25 is the amount of the premium for the highest eligible income on the premium scale for
632.26 MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of
632.27 determining the premium amount, the noncustodial parent's household size is equal to one
632.28 parent plus the child or children who are the subject of the order;

632.29 (3) the custodial parent's obligation is determined under the requirements for public
632.30 health care coverage in chapter 256B; or

632.31 (4) if the noncustodial parent's PICS is less than 200 percent of the federal poverty
632.32 guidelines for one person or the noncustodial parent receives public assistance, the
632.33 noncustodial parent must not be ordered to contribute toward the cost of public health care
632.34 coverage.

633.1 (h) The commissioner of human services must publish a table for section 256L.15,
633.2 subdivision 2, paragraph (d), and update the table with changes to the schedule by July 1
633.3 of each year.

633.4 **Subd. 6. Notice or court order sent to party's employer, union, or health carrier.** (a)
633.5 The public authority must forward a copy of the national medical support notice or court
633.6 order for private health care coverage to the party's employer within two business days after
633.7 the date the party is entered into the work reporting system under section 256.998.

633.8 (b) The public authority or a party seeking to enforce an order for private health care
633.9 coverage must forward a copy of the national medical support notice or court order to the
633.10 obligor's employer or union, or to the health carrier under the following circumstances:

633.11 (1) the party ordered to carry private health care coverage for the joint child fails to
633.12 provide written proof to the other party or the public authority, within 30 days of the effective
633.13 date of the court order, that the party has applied for private health care coverage for the
633.14 joint child;

633.15 (2) the party seeking to enforce the order or the public authority gives written notice to
633.16 the party ordered to carry private health care coverage for the joint child of its intent to
633.17 enforce medical support. The party seeking to enforce the order or public authority must
633.18 mail the written notice to the last known address of the party ordered to carry private health
633.19 care coverage for the joint child; and

633.20 (3) the party ordered to carry private health care coverage for the joint child fails, within
633.21 15 days after the date on which the written notice under clause (2) was mailed, to provide
633.22 written proof to the other party or the public authority that the party has applied for private
633.23 health care coverage for the joint child.

633.24 (c) The public authority is not required to forward a copy of the national medical support
633.25 notice or court order to the obligor's employer or union, or to the health carrier, if the court
633.26 orders private health care coverage for the joint child that is not employer-based or
633.27 union-based coverage.

633.28 **Subd. 7. Employer or union requirements.** (a) An employer or union must forward
633.29 the national medical support notice or court order to its health plan within 20 business days
633.30 after the date on the national medical support notice or after receipt of the court order.

633.31 (b) Upon determination by an employer's or union's health plan administrator that a joint
633.32 child is eligible to be covered under the health plan, the employer or union and health plan
633.33 must enroll the joint child as a beneficiary in the health plan, and the employer must withhold

634.1 any required premiums from the income or wages of the party ordered to carry health care
634.2 coverage for the joint child.

634.3 (c) If enrollment of the party ordered to carry private health care coverage for a joint
634.4 child is necessary to obtain dependent private health care coverage under the plan, and the
634.5 party is not enrolled in the health plan, the employer or union must enroll the party in the
634.6 plan.

634.7 (d) Enrollment of dependents and, if necessary, the party ordered to carry private health
634.8 care coverage for the joint child must be immediate and not dependent upon open enrollment
634.9 periods. Enrollment is not subject to the underwriting policies under section 62A.048.

634.10 (e) Failure of the party ordered to carry private health care coverage for the joint child
634.11 to execute any documents necessary to enroll the dependent in the health plan does not
634.12 affect the obligation of the employer or union and health plan to enroll the dependent in a
634.13 plan. Information and authorization provided by the public authority, or by a party or
634.14 guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

634.15 (f) An employer or union that is included under the federal Employee Retirement Income
634.16 Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny
634.17 enrollment to the joint child or to the parent if necessary to enroll the joint child based on
634.18 exclusionary clauses described in section 62A.048.

634.19 (g) A new employer or union of a party who is ordered to provide private health care
634.20 coverage for a joint child must enroll the joint child in the party's health plan as required
634.21 by a national medical support notice or court order.

634.22 Subd. 8. **Health plan requirements.** (a) If a health plan administrator receives a
634.23 completed national medical support notice or court order, the plan administrator must notify
634.24 the parties, and the public authority if the public authority provides support enforcement
634.25 services, within 40 business days after the date of the notice or after receipt of the court
634.26 order, of the following:

634.27 (1) whether health care coverage is available to the joint child under the terms of the
634.28 health plan and, if not, the reason why health care coverage is not available;

634.29 (2) whether the joint child is covered under the health plan;

634.30 (3) the effective date of the joint child's coverage under the health plan; and

634.31 (4) what steps, if any, are required to effectuate the joint child's coverage under the health
634.32 plan.

635.1 (b) If the employer or union offers more than one plan and the national medical support
635.2 notice or court order does not specify the plan to be carried, the plan administrator must
635.3 notify the parents and the public authority if the public authority provides support
635.4 enforcement services. When there is more than one option available under the plan, the
635.5 public authority, in consultation with the parent with whom the joint child resides, must
635.6 promptly select from available plan options.

635.7 (c) The plan administrator must provide the parents and public authority, if the public
635.8 authority provides support enforcement services, with a notice of the joint child's enrollment,
635.9 description of the health care coverage, and any documents necessary to effectuate coverage.

635.10 (d) The health plan must send copies of all correspondence regarding the private health
635.11 care coverage to the parents.

635.12 (e) An insured joint child's parent's signature is a valid authorization to a health plan for
635.13 purposes of processing an insurance reimbursement payment to the medical services provider
635.14 or to the parent, if medical services have been prepaid by that parent.

635.15 Subd. 9. **Employer or union liability.** (a) An employer or union that willfully fails to
635.16 comply with the order or notice is liable for any uninsured ~~medical~~ health-related expenses
635.17 incurred by the dependents while the dependents were eligible to be enrolled in the health
635.18 plan and for any other premium costs incurred because the employer or union willfully
635.19 failed to comply with the order or notice.

635.20 (b) An employer or union that fails to comply with the order or notice is subject to a
635.21 contempt finding, a \$250 civil penalty under section 518A.73, and is subject to a civil penalty
635.22 of \$500 to be paid to the party entitled to reimbursement or the public authority. Penalties
635.23 paid to the public authority are designated for child support enforcement services.

635.24 Subd. 10. **Contesting enrollment.** (a) A party may contest a joint child's enrollment in
635.25 a health plan on the limited grounds that the enrollment is improper due to mistake of fact
635.26 or that the enrollment meets the requirements of section 518.145.

635.27 (b) If the party chooses to contest the enrollment, the party must do so no later than 15
635.28 days after the employer notifies the party of the enrollment by doing the following:

635.29 (1) filing a motion in district court or according to section 484.702 and the expedited
635.30 child support process rules if the public authority provides support enforcement services;

635.31 (2) serving the motion on the other party and public authority if the public authority
635.32 provides support enforcement services; and

636.1 (3) securing a date for the matter to be heard no later than 45 days after the notice of
636.2 enrollment.

636.3 (c) The enrollment must remain in place while the party contests the enrollment.

636.4 Subd. 11. **Disenrollment; continuation of coverage; coverage options.** (a) Unless a
636.5 court order provides otherwise, a child for whom a party is required to provide private health
636.6 care coverage under this section must be covered as a dependent of the party until the child
636.7 is emancipated, until further order of the court, or as consistent with the terms of the health
636.8 care coverage.

636.9 (b) The health carrier, employer, or union may not disenroll or eliminate health care
636.10 coverage for the child unless:

636.11 (1) the health carrier, employer, or union is provided satisfactory written evidence that
636.12 the court order is no longer in effect;

636.13 (2) the joint child is or will be enrolled in comparable private health care coverage
636.14 through another health plan that will take effect no later than the effective date of the
636.15 disenrollment;

636.16 (3) the employee is no longer eligible for dependent health care coverage; or

636.17 (4) the required premium has not been paid by or on behalf of the joint child.

636.18 (c) The health plan must provide 30 days' written notice to the joint child's parents, and
636.19 the public authority if the public authority provides support enforcement services, before
636.20 the health plan disenrolls or eliminates the joint child's health care coverage.

636.21 (d) A joint child enrolled in private health care coverage under a qualified medical child
636.22 support order, including a national medical support notice, under this section is a dependent
636.23 and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act
636.24 of 1985 (COBRA), Public Law 99-272. Upon expiration of the order, the joint child is
636.25 entitled to the opportunity to elect continued health care coverage that is available under
636.26 the health plan. The employer or union must provide notice to the parties and the public
636.27 authority, if it provides support services, within ten days of the termination date.

636.28 (e) If the public authority provides support enforcement services and a plan administrator
636.29 reports to the public authority that there is more than one coverage option available under
636.30 the health plan, the public authority, in consultation with the parent with whom the joint
636.31 child resides, must promptly select health care coverage from the available options.

637.1 Subd. 12. **Spousal or former spousal coverage.** The court must require the parent with
637.2 whom the joint child does not reside to provide dependent private health care coverage for
637.3 the benefit of the parent with whom the joint child resides if the parent with whom the child
637.4 does not reside is ordered to provide dependent private health care coverage for the parties'
637.5 joint child and adding the other parent to the health care coverage results in no additional
637.6 premium cost.

637.7 Subd. 13. **Disclosure of information.** (a) If the public authority provides support
637.8 enforcement services, the parties must provide the public authority with the following
637.9 information:

637.10 (1) information relating to dependent health care coverage ~~or public coverage~~ available
637.11 for the benefit of the joint child for whom support is sought, including all information
637.12 required to be included in a medical support order under this section;

637.13 (2) verification that application for court-ordered health care coverage was made within
637.14 30 days of the court's order; and

637.15 (3) the reason that a joint child is not enrolled in court-ordered health care coverage, if
637.16 a joint child is not enrolled in health care coverage or subsequently loses health care coverage.

637.17 (b) Upon request from the public authority under section 256.978, an employer, union,
637.18 or plan administrator, including an employer subject to the federal Employee Retirement
637.19 Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must
637.20 provide the public authority the following information:

637.21 (1) information relating to dependent private health care coverage available to a party
637.22 for the benefit of the joint child for whom support is sought, including all information
637.23 required to be included in a medical support order under this section; and

637.24 (2) information that will enable the public authority to determine whether a health plan
637.25 is appropriate for a joint child, including, but not limited to, all available plan options, any
637.26 geographic service restrictions, and the location of service providers.

637.27 (c) The employer, union, or plan administrator must not release information regarding
637.28 one party to the other party. The employer, union, or plan administrator must provide both
637.29 parties with insurance identification cards and all necessary written information to enable
637.30 the parties to utilize the insurance benefits for the covered dependent.

637.31 (d) The public authority is authorized to release to a party's employer, union, or health
637.32 plan information necessary to verify availability of dependent private health care coverage,
637.33 or to establish, modify, or enforce medical support.

638.1 (e) An employee must disclose to an employer if medical support is required to be
638.2 withheld under this section and the employer must begin withholding according to the terms
638.3 of the order and under section 518A.53. If an employee discloses an obligation to obtain
638.4 private health care coverage and health care coverage is available through the employer,
638.5 the employer must make all application processes known to the individual and enroll the
638.6 employee and dependent in the plan.

638.7 Subd. 14. **Child support enforcement services.** The public authority must take necessary
638.8 steps to establish, enforce, and modify an order for medical support if the joint child receives
638.9 public assistance or a party completes an application for services from the public authority
638.10 under section 518A.51.

638.11 Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child
638.12 support apply to medical support.

638.13 (b) For the purpose of enforcement, the following are additional support:

638.14 (1) the costs of individual or group health or hospitalization coverage;

638.15 (2) dental coverage;

638.16 (3) medical costs ordered by the court to be paid by either party, including health care
638.17 coverage premiums paid by the obligee because of the obligor's failure to obtain health care
638.18 coverage as ordered; and

638.19 (4) liabilities established under this subdivision.

638.20 (c) A party who fails to carry court-ordered dependent private health care coverage is
638.21 liable for the joint child's uninsured ~~medical~~ health-related expenses unless a court order
638.22 provides otherwise. A party's failure to carry court-ordered health care coverage, or to
638.23 provide other medical support as ordered, is a basis for modification of medical support
638.24 under section 518A.39, subdivision 8, unless it meets the presumption in section 518A.39,
638.25 subdivision 2.

638.26 (d) Payments by the health carrier or employer for services rendered to the dependents
638.27 that are directed to a party not owed reimbursement must be endorsed over to and forwarded
638.28 to the vendor or appropriate party or the public authority. A party retaining insurance
638.29 reimbursement not owed to the party is liable for the amount of the reimbursement.

638.30 Subd. 16. **Offset.** (a) If a party is the parent with primary physical custody as defined
638.31 in section 518A.26, subdivision 17, and is an obligor ordered to contribute to the other
638.32 party's cost for carrying health care coverage for the joint child, the other party's child
638.33 support and spousal maintenance obligations are subject to an offset under subdivision 5.

639.1 (b) The public authority, if the public authority provides child support enforcement
639.2 services, may remove the offset to a party's child support obligation when:

639.3 (1) the party's court-ordered private health care coverage for the joint child terminates;

639.4 (2) the party does not enroll the joint child in other private health care coverage; and

639.5 (3) a modification motion is not pending.

639.6 The public authority must provide notice to the parties of the action. If neither party requests
639.7 a hearing, the public authority must remove the offset effective the first day of the month
639.8 following termination of the joint child's private health care coverage.

639.9 (c) The public authority, if the public authority provides child support enforcement
639.10 services, may resume the offset when the party ordered to provide private health care
639.11 coverage for the joint child has resumed the court-ordered private health care coverage or
639.12 enrolled the joint child in other private health care coverage. The public authority must
639.13 provide notice to the parties of the action. If neither party requests a hearing, the public
639.14 authority must resume the offset effective the first day of the month following certification
639.15 that private health care coverage is in place for the joint child.

639.16 (d) A party may contest the public authority's action to remove or resume the offset to
639.17 the child support obligation if the party makes a written request for a hearing within 30 days
639.18 after receiving written notice. If a party makes a timely request for a hearing, the public
639.19 authority must schedule a hearing and send written notice of the hearing to the parties by
639.20 mail to the parties' last known addresses at least 14 days before the hearing. The hearing
639.21 must be conducted in district court or in the expedited child support process if section
639.22 484.702 applies. The district court or child support magistrate must determine whether
639.23 removing or resuming the offset is appropriate and, if appropriate, the effective date for the
639.24 removal or resumption.

639.25 **Subd. 16a. Suspension or reinstatement of medical support contribution.** (a) If a
639.26 party is the parent with primary physical custody, as defined in section 518A.26, subdivision
639.27 17, and is ordered to carry private health care coverage for the joint child but fails to carry
639.28 the court-ordered private health care coverage, the public authority may suspend the medical
639.29 support obligation of the other party if that party has been court-ordered to contribute to the
639.30 cost of the private health care coverage carried by the parent with primary physical custody
639.31 of the joint child.

640.1 (b) If the public authority provides child support enforcement services, the public
 640.2 authority may suspend the other party's medical support contribution toward private health
 640.3 care coverage when:

640.4 (1) the party's court-ordered private health care coverage for the joint child terminates;

640.5 (2) the party does not enroll the joint child in other private health care coverage; and

640.6 (3) a modification motion is not pending.

640.7 The public authority must provide notice to the parties of the action. If neither party requests
 640.8 a hearing, the public authority must remove the medical support contribution effective the
 640.9 first day of the month following the termination of the joint child's private health care
 640.10 coverage.

640.11 (c) If the public authority provides child support enforcement services, the public authority
 640.12 may reinstate the medical support contribution when the party ordered to provide private
 640.13 health care coverage for the joint child has resumed the joint child's court-ordered private
 640.14 health care coverage or has enrolled the joint child in other private health care coverage.

640.15 The public authority must provide notice to the parties of the action. If neither party requests
 640.16 a hearing, the public authority must resume the medical support contribution effective the
 640.17 first day of the month following certification that the joint child is enrolled in private health
 640.18 care coverage.

640.19 (d) A party may contest the public authority's action to suspend or reinstate the medical
 640.20 support contribution if the party makes a written request for a hearing within 30 days after
 640.21 receiving written notice. If a party makes a timely request for a hearing, the public authority
 640.22 must schedule a hearing and send written notice of the hearing to the parties by mail to the
 640.23 parties' last known addresses at least 14 days before the hearing. The hearing must be
 640.24 conducted in district court or in the expedited child support process if section 484.702
 640.25 applies. The district court or child support magistrate must determine whether suspending
 640.26 or reinstating the medical support contribution is appropriate and, if appropriate, the effective
 640.27 date of the removal or reinstatement of the medical support contribution.

640.28 **Subd. 17. Collecting unreimbursed or uninsured ~~medical~~ health-related expenses. (a)**
 640.29 **This subdivision and subdivision 18 apply when a court order has determined and ordered**
 640.30 **the parties' proportionate share and responsibility to contribute to unreimbursed or uninsured**
 640.31 **~~medical~~ health-related expenses.**

640.32 **(b) A party requesting reimbursement of unreimbursed or uninsured ~~medical~~**
 640.33 **health-related expenses must initiate a request to the other party within two years of the**

641.1 date that the requesting party incurred the unreimbursed or uninsured ~~medical~~ health-related
641.2 expenses. If a court order has been signed ordering the contribution ~~towards~~ toward
641.3 unreimbursed or uninsured expenses, a two-year limitations provision must be applied to
641.4 any requests made on or after January 1, 2007. The provisions of this section apply
641.5 retroactively to court orders signed before January 1, 2007. Requests for unreimbursed or
641.6 uninsured expenses made on or after January 1, 2007, may include expenses incurred before
641.7 January 1, 2007, and on or after January 1, 2005.

641.8 (c) A requesting party must mail a written notice of intent to collect the unreimbursed
641.9 or uninsured ~~medical~~ health-related expenses and a copy of an affidavit of health care
641.10 expenses to the other party at the other party's last known address.

641.11 (d) The written notice must include a statement that the other party has 30 days from
641.12 the date the notice was mailed to (1) pay in full; (2) agree to a payment schedule; or (3) file
641.13 a motion requesting a hearing to contest the amount due or to set a court-ordered monthly
641.14 payment amount. If the public authority provides services, the written notice also must
641.15 include a statement that, if the other party does not respond within the 30 days, the requesting
641.16 party may submit the amount due to the public authority for collection.

641.17 (e) The affidavit of health care expenses must itemize and document the joint child's
641.18 unreimbursed or uninsured ~~medical~~ health-related expenses and include copies of all bills,
641.19 receipts, and insurance company explanations of benefits.

641.20 (f) If the other party does not respond to the request for reimbursement within 30 days,
641.21 the requesting party may commence enforcement against the other party under subdivision
641.22 18; file a motion for a court-ordered monthly payment amount under paragraph (i); or notify
641.23 the public authority, if the public authority provides services, that the other party has not
641.24 responded.

641.25 (g) The notice to the public authority must include: a copy of the written notice, a copy
641.26 of the affidavit of health care expenses, and copies of all bills, receipts, and insurance
641.27 company explanations of benefits.

641.28 (h) If noticed under paragraph (f), the public authority must serve the other party with
641.29 a notice of intent to enforce unreimbursed and uninsured ~~medical~~ health-related expenses
641.30 and file an affidavit of service by mail with the district court administrator. The notice must
641.31 state that the other party has 14 days to (1) pay in full; or (2) file a motion to contest the
641.32 amount due or to set a court-ordered monthly payment amount. The notice must also state
641.33 that if there is no response within 14 days, the public authority will commence enforcement
641.34 of the expenses as arrears under subdivision 18.

642.1 (i) To contest the amount due or set a court-ordered monthly payment amount, a party
642.2 must file a timely motion and schedule a hearing in district court or in the expedited child
642.3 support process if section 484.702 applies. The moving party must provide the other party
642.4 and the public authority, if the public authority provides services, with written notice at
642.5 least 14 days before the hearing by mailing notice of the hearing to the public authority and
642.6 to the requesting party at the requesting party's last known address. The moving party must
642.7 file the affidavit of health care expenses with the court at least five days before the hearing.
642.8 The district court or child support magistrate must determine liability for the expenses and
642.9 order that the liable party is subject to enforcement of the expenses as arrears under
642.10 subdivision 18 or set a court-ordered monthly payment amount.

642.11 Subd. 18. **Enforcing unreimbursed or uninsured ~~medical~~ health-related expenses**
642.12 **as arrears.** (a) Unreimbursed or uninsured ~~medical~~ health-related expenses enforced under
642.13 this subdivision are collected as arrears.

642.14 (b) If the liable party is the parent with primary physical custody as defined in section
642.15 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
642.16 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
642.17 or uninsured expenses remain after the deduction, the expenses must be collected as follows:

642.18 (1) If the requesting party owes a current child support obligation to the liable party, 20
642.19 percent of each payment received from the requesting party must be returned to the requesting
642.20 party. The total amount returned to the requesting party each month must not exceed 20
642.21 percent of the current monthly support obligation.

642.22 (2) If the requesting party does not owe current child support or arrears, a payment
642.23 agreement under section 518A.69 is required. If the liable party fails to enter into or comply
642.24 with a payment agreement, the requesting party or the public authority, if the public authority
642.25 provides services, may schedule a hearing to set a court-ordered payment. The requesting
642.26 party or the public authority must provide the liable party with written notice of the hearing
642.27 at least 14 days before the hearing.

642.28 (c) If the liable party is not the parent with primary physical custody as defined in section
642.29 518A.26, subdivision 17, the unreimbursed or uninsured ~~medical~~ health-related expenses
642.30 must be deducted from any arrears the requesting party owes the liable party. If unreimbursed
642.31 or uninsured expenses remain after the deduction, the expenses must be added and collected
642.32 as arrears owed by the liable party.

642.33 **EFFECTIVE DATE.** This section is effective January 1, 2025.

643.1 Sec. 32. Minnesota Statutes 2022, section 518A.42, subdivision 1, is amended to read:

643.2 Subdivision 1. **Ability to pay.** (a) It is a rebuttable presumption that a child support
643.3 order should not exceed the obligor's ability to pay. To determine the amount of child support
643.4 the obligor has the ability to pay, the court shall follow the procedure set out in this section.

643.5 (b) The court shall calculate the obligor's income available for support by subtracting a
643.6 monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one
643.7 person from the obligor's parental income for determining child support (PICS). If benefits
643.8 under section 518A.31 are received by the obligee as a representative payee for a joint child
643.9 or are received by the child attending school, based on the other parent's eligibility, the court
643.10 shall subtract the amount of benefits from the obligor's PICS before subtracting the
643.11 self-support reserve. If the obligor's income available for support calculated under this
643.12 paragraph is equal to or greater than the obligor's support obligation calculated under section
643.13 518A.34, the court shall order child support under section 518A.34.

643.14 (c) If the obligor's income available for support calculated under paragraph (b) is more
643.15 than the minimum support amount under subdivision 2, but less than the guideline amount
643.16 under section 518A.34, then the court shall apply a reduction to the child support obligation
643.17 in the following order, until the support order is equal to the obligor's income available for
643.18 support:

643.19 (1) medical support obligation;

643.20 (2) child care support obligation; and

643.21 (3) basic support obligation.

643.22 (d) If the obligor's income available for support calculated under paragraph (b) is equal
643.23 to or less than the minimum support amount under subdivision 2 or if the obligor's gross
643.24 income is less than 120 percent of the federal poverty guidelines for one person, the minimum
643.25 support amount under subdivision 2 applies.

643.26 **EFFECTIVE DATE.** This section is effective January 1, 2025.

643.27 Sec. 33. Minnesota Statutes 2022, section 518A.42, subdivision 3, is amended to read:

643.28 Subd. 3. **Exception.** (a) This section does not apply to an obligor who is incarcerated
643.29 or is a recipient of a general assistance grant, Supplemental Security Income, temporary
643.30 assistance for needy families (TANF) grant, or comparable state-funded Minnesota family
643.31 investment program (MFIP) benefits.

644.1 (b) If the court finds the obligor receives no income and completely lacks the ability to
 644.2 earn income, the minimum basic support amount under this subdivision does not apply.

644.3 (c) If the obligor's basic support amount is reduced below the minimum basic support
 644.4 amount due to the application of the parenting expense adjustment, the minimum basic
 644.5 support amount under this subdivision does not apply and the lesser amount is the guideline
 644.6 basic support.

644.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

644.8 Sec. 34. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

644.9 Subd. 1b. **Increase in income of custodial parent.** In a modification of support under
 644.10 section 518A.39, the court may deviate from the presumptive child support obligation under
 644.11 section 518A.34 when the only change in circumstances is an increase to the custodial
 644.12 parent's income and:

644.13 ~~(1) the basic support increases;~~

644.14 ~~(2) the parties' combined gross income is \$6,000 or less; or~~

644.15 ~~(3) the obligor's income is \$2,000 or less.~~

644.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

644.17 Sec. 35. Minnesota Statutes 2022, section 518A.65, is amended to read:

644.18 **518A.65 DRIVER'S LICENSE SUSPENSION.**

644.19 (a) Upon motion of an obligee, which has been properly served on the obligor and upon
 644.20 which there has been an opportunity for hearing, if a court finds that the obligor has been
 644.21 or may be issued a driver's license by the commissioner of public safety and the obligor is
 644.22 in arrears in court-ordered child support or maintenance payments, or both, in an amount
 644.23 equal to or greater than three times the obligor's total monthly support and maintenance
 644.24 payments and is not in compliance with a written payment agreement pursuant to section
 644.25 518A.69 that is approved by the court, a child support magistrate, or the public authority,
 644.26 the court ~~shall~~ may order the commissioner of public safety to suspend the obligor's driver's
 644.27 license. The court may consider the circumstances in paragraph (i) to determine whether
 644.28 driver's license suspension is an appropriate remedy that is likely to induce the payment of
 644.29 child support. The court may consider whether driver's license suspension would have a
 644.30 direct harmful effect on the obligor or joint children that would make driver's license
 644.31 suspension an inappropriate remedy. The public authority may not administratively reinstate

645.1 a driver's license suspended by the court unless specifically authorized to do so in the court
645.2 order. This paragraph expires December 31, 2025.

645.3 (b) This paragraph is effective January 1, 2026. Upon the motion of an obligee that has
645.4 been properly served on the obligor and for which there has been an opportunity for a
645.5 hearing, if a court finds that the obligor has a valid driver's license issued by the commissioner
645.6 of public safety and the obligor is in arrears in court-ordered child support or maintenance
645.7 payments, or both, in an amount equal to or greater than three times the obligor's total
645.8 monthly support and maintenance payments and is not in compliance with a written payment
645.9 agreement pursuant to section 518A.69 that is approved by the court, a child support
645.10 magistrate, or the public authority, the court may order the commissioner of public safety
645.11 to suspend the obligor's driver's license. The court may consider the circumstances in
645.12 paragraph (i) to determine whether driver's license suspension is an appropriate remedy that
645.13 is likely to induce the payment of child support. The court may consider whether driver's
645.14 license suspension would have a direct harmful effect on the obligor or joint children that
645.15 would make driver's license suspension an inappropriate remedy. The public authority may
645.16 not administratively reinstate a driver's license suspended by the court unless specifically
645.17 authorized to do so in the court order.

645.18 (c) The court's order must be stayed for 90 days in order to allow the obligor to execute
645.19 a written payment agreement pursuant to section 518A.69. The payment agreement must
645.20 be approved by either the court or the public authority responsible for child support
645.21 enforcement. If the obligor has not executed or is not in compliance with a written payment
645.22 agreement pursuant to section 518A.69 after the 90 days expires, the court's order becomes
645.23 effective and the commissioner of public safety shall suspend the obligor's driver's license.
645.24 The remedy under this section is in addition to any other enforcement remedy available to
645.25 the court. An obligee may not bring a motion under this paragraph within 12 months of a
645.26 denial of a previous motion under this paragraph.

645.27 ~~(b)~~ (d) If a public authority responsible for child support enforcement determines that
645.28 the obligor has been or may be issued a driver's license by the commissioner of public safety
645.29 and; the obligor is in arrears in court-ordered child support or maintenance payments or
645.30 both in an amount equal to or greater than three times the obligor's total monthly support
645.31 and maintenance payments and not in compliance with a written payment agreement pursuant
645.32 to section 518A.69 that is approved by the court, a child support magistrate, or the public
645.33 authority, the public authority shall direct the commissioner of public safety to suspend the
645.34 obligor's driver's license unless exercising administrative discretion under paragraph (i).

646.1 The remedy under this section is in addition to any other enforcement remedy available to
646.2 the public authority. This paragraph expires December 31, 2025.

646.3 (e) This paragraph is effective January 1, 2026. If a public authority responsible for child
646.4 support enforcement determines that:

646.5 (1) the obligor has a valid driver's license issued by the commissioner of public safety;

646.6 (2) the obligor is in arrears in court-ordered child support or maintenance payments or
646.7 both in an amount equal to or greater than three times the obligor's total monthly support
646.8 and maintenance payments;

646.9 (3) the obligor is not in compliance with a written payment agreement pursuant to section
646.10 518A.69 that is approved by the court, a child support magistrate, or the public authority;
646.11 and

646.12 (4) the obligor's mailing address is known to the public authority;

646.13 then the public authority shall direct the commissioner of public safety to suspend the
646.14 obligor's driver's license unless exercising administrative discretion under paragraph (i).

646.15 The remedy under this section is in addition to any other enforcement remedy available to
646.16 the public authority.

646.17 ~~(e)~~ (f) At least 90 days prior to notifying the commissioner of public safety according
646.18 to paragraph ~~(b)~~ (d), the public authority must mail a written notice to the obligor at the
646.19 obligor's last known address, that it intends to seek suspension of the obligor's driver's
646.20 license and that the obligor must request a hearing within 30 days in order to contest the
646.21 suspension. If the obligor makes a written request for a hearing within 30 days of the date
646.22 of the notice, a court hearing must be held. Notwithstanding any law to the contrary, the
646.23 obligor must be served with 14 days' notice in writing specifying the time and place of the
646.24 hearing and the allegations against the obligor. The notice must include information that
646.25 apprises the obligor of the requirement to develop a written payment agreement that is
646.26 approved by a court, a child support magistrate, or the public authority responsible for child
646.27 support enforcement regarding child support, maintenance, and any arrearages in order to
646.28 avoid license suspension. The notice may be served personally or by mail. If the public
646.29 authority does not receive a request for a hearing within 30 days of the date of the notice,
646.30 and the obligor does not execute a written payment agreement pursuant to section 518A.69
646.31 that is approved by the public authority within 90 days of the date of the notice, the public
646.32 authority shall direct the commissioner of public safety to suspend the obligor's driver's
646.33 license under paragraph ~~(b)~~ (d).

647.1 ~~(d)~~ (g) At a hearing requested by the obligor under paragraph ~~(e)~~ (f), and on finding that
647.2 the obligor is in arrears in court-ordered child support or maintenance payments or both in
647.3 an amount equal to or greater than three times the obligor's total monthly support and
647.4 maintenance payments, the district court or child support magistrate shall order the
647.5 commissioner of public safety to suspend the obligor's driver's license or operating privileges
647.6 unless:

647.7 (1) the court or child support magistrate determines that the obligor has executed and is
647.8 in compliance with a written payment agreement pursuant to section 518A.69 that is approved
647.9 by the court, a child support magistrate, or the public authority; or

647.10 (2) the court, in its discretion, determines that driver's license suspension is unlikely to
647.11 induce the payment of child support or would have direct harmful effects on the obligor or
647.12 joint child that make driver's license suspension an inappropriate remedy. The court may
647.13 consider the circumstances in paragraph (i) in exercising the court's discretion.

647.14 ~~(e)~~ (h) An obligor whose driver's license or operating privileges are suspended may:

647.15 (1) provide proof to the public authority responsible for child support enforcement that
647.16 the obligor is in compliance with all written payment agreements pursuant to section 518A.69;

647.17 (2) bring a motion for reinstatement of the driver's license. At the hearing, if the court
647.18 or child support magistrate orders reinstatement of the driver's license, the court or child
647.19 support magistrate must establish a written payment agreement pursuant to section 518A.69;
647.20 or

647.21 (3) seek a limited license under section 171.30. A limited license issued to an obligor
647.22 under section 171.30 expires 90 days after the date it is issued.

647.23 Within 15 days of the receipt of that proof or a court order, the public authority shall
647.24 inform the commissioner of public safety that the obligor's driver's license or operating
647.25 privileges should no longer be suspended.

647.26 (i) Prior to notifying the commissioner of public safety that an obligor's driver's license
647.27 should be suspended or after an obligor's driving privileges have been suspended, the public
647.28 authority responsible for child support enforcement may use administrative authority to end
647.29 the suspension process or inform the commissioner of public safety that the obligor's driving
647.30 privileges should no longer be suspended under any of the following circumstances:

647.31 (1) the full amount of court-ordered payments have been received for at least one month;

647.32 (2) an income withholding notice has been sent to an employer or payor of money;

648.1 (3) payments less than the full court-ordered amount have been received and the
648.2 circumstances of the obligor demonstrate the obligor's substantial intent to comply with the
648.3 order;

648.4 (4) the obligor receives public assistance;

648.5 (5) the case is being reviewed by the public authority for downward modification due
648.6 to changes in the obligor's financial circumstances or a party has filed a motion to modify
648.7 the child support order;

648.8 (6) the obligor no longer lives in the state and the child support case is in the process of
648.9 interstate enforcement;

648.10 (7) the obligor is currently incarcerated for one week or more or is receiving in-patient
648.11 treatment for physical health, mental health, chemical dependency, or other treatment. This
648.12 clause applies for six months after the obligor is no longer incarcerated or receiving in-patient
648.13 treatment;

648.14 (8) the obligor is temporarily or permanently disabled and unable to pay child support;

648.15 (9) the obligor has presented evidence to the public authority that the obligor needs
648.16 driving privileges to maintain or obtain the obligor's employment;

648.17 (10) the obligor has not had a meaningful opportunity to pay toward arrears; or

648.18 (11) other circumstances of the obligor indicate that a temporary condition exists for
648.19 which the suspension of the obligor's driver's license for the nonpayment of child support
648.20 is not appropriate. When considering whether the suspension of the obligor's driver's license
648.21 is appropriate, the public authority must assess: (i) whether the suspension of the obligor's
648.22 driver's license is likely to induce the payment of child support; and (ii) whether the
648.23 suspension of the obligor's driver's license would have direct harmful effects on the obligor
648.24 or joint children that make driver's license suspension an inappropriate remedy.

648.25 The presence of circumstances in this paragraph does not prevent the public authority from
648.26 proceeding with a suspension of the obligor's driver's license.

648.27 ~~(f)~~ (j) In addition to the criteria established under this section for the suspension of an
648.28 obligor's driver's license, a court, a child support magistrate, or the public authority may
648.29 direct the commissioner of public safety to suspend the license of a party who has failed,
648.30 after receiving notice, to comply with a subpoena relating to a paternity or child support
648.31 proceeding. Notice to an obligor of intent to suspend must be served by first class mail at
648.32 the obligor's last known address. The notice must inform the obligor of the right to request
648.33 a hearing. If the obligor makes a written request within ten days of the date of the hearing,

649.1 a hearing must be held. At the hearing, the only issues to be considered are mistake of fact
649.2 and whether the obligor received the subpoena.

649.3 ~~(g)~~ (k) The license of an obligor who fails to remain in compliance with an approved
649.4 written payment agreement may be suspended. Prior to suspending a license for
649.5 noncompliance with an approved written payment agreement, the public authority must
649.6 mail to the obligor's last known address a written notice that (1) the public authority intends
649.7 to seek suspension of the obligor's driver's license under this paragraph, and (2) the obligor
649.8 must request a hearing, within 30 days of the date of the notice, to contest the suspension.
649.9 If, within 30 days of the date of the notice, the public authority does not receive a written
649.10 request for a hearing and the obligor does not comply with an approved written payment
649.11 agreement, the public authority must direct the Department of Public Safety to suspend the
649.12 obligor's license under paragraph ~~(b)~~ (d). If the obligor makes a written request for a hearing
649.13 within 30 days of the date of the notice, a court hearing must be held. Notwithstanding any
649.14 law to the contrary, the obligor must be served with 14 days' notice in writing specifying
649.15 the time and place of the hearing and the allegations against the obligor. The notice may be
649.16 served personally or by mail at the obligor's last known address. If the obligor appears at
649.17 the hearing and the court determines that the obligor has failed to comply with an approved
649.18 written payment agreement, the court or public authority shall notify the Department of
649.19 Public Safety to suspend the obligor's license under paragraph ~~(b)~~ (d). If the obligor fails
649.20 to appear at the hearing, the court or public authority must notify the Department of Public
649.21 Safety to suspend the obligor's license under paragraph ~~(b)~~ (d).

649.22 Sec. 36. Minnesota Statutes 2022, section 518A.77, is amended to read:

649.23 **518A.77 GUIDELINES REVIEW.**

649.24 ~~(a)~~ No later than 2006 and every four years after that, the Department of Human Services
649.25 must conduct a review of the child support guidelines as required under Code of Federal
649.26 Regulations, title 45, section 302.56(h).

649.27 ~~(b) This section expires January 1, 2032.~~

649.28 Sec. 37. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FOSTER**
649.29 **CARE FEDERAL CASH ASSISTANCE BENEFITS PRESERVATION.**

649.30 (a) The commissioner of human services must develop a plan to preserve and make
649.31 available the income and resources attributable to a child in foster care to meet the best
649.32 interests of the child. The plan must include recommendations on:

650.1 (1) policies for youth and caregiver access to preserved federal cash assistance benefit
650.2 payments;

650.3 (2) representative payees for children in voluntary foster care for treatment pursuant to
650.4 Minnesota Statutes, chapter 260D; and

650.5 (3) family preservation and reunification.

650.6 (b) For purposes of this section, "income and resources attributed to a child" means all
650.7 benefits from programs administered by the Social Security Administration, including but
650.8 not limited to retirement, survivors benefits, disability insurance programs, Supplemental
650.9 Security Income, veterans benefits, and railroad retirement benefits.

650.10 (c) When developing the plan under this section, the commissioner shall consult or
650.11 engage with:

650.12 (1) individuals or entities with experience in managing trusts and investment;

650.13 (2) individuals or entities with expertise in providing tax advice;

650.14 (3) individuals or entities with expertise in preserving assets to avoid any negative impact
650.15 on public assistance eligibility;

650.16 (4) other relevant state agencies;

650.17 (5) Tribal social services agencies;

650.18 (6) counties;

650.19 (7) the Children's Justice Initiative;

650.20 (8) organizations that serve and advocate for children and families in the child protection
650.21 system;

650.22 (9) parents, legal custodians, foster families, and kinship caregivers, to the extent possible;

650.23 (10) youth who have been or are currently in out-of-home placement; and

650.24 (11) other relevant stakeholders.

650.25 (d) By December 15, 2023, each county shall provide the following data for fiscal years
650.26 2018 to 2022 to the commissioner or the commissioner's designee in a form prescribed by
650.27 the commissioner:

650.28 (1) the nonduplicated number of children in foster care in the county who received
650.29 income and resources attributable to a child as defined in paragraph (b);

- 651.1 (2) the nonduplicated number of children for whom the county was the representative
651.2 payee for income and resources attributable to a child;
- 651.3 (3) the amount of money that the county received from income and resources attributable
651.4 to children in out-of-home placement for whom the county served as the representative
651.5 payee;
- 651.6 (4) the county's policies and standards regarding collection and use of this money,
651.7 including but not limited to:
- 651.8 (i) how long after a child enters out-of-home placement does the county agency become
651.9 the representative payee;
- 651.10 (ii) the disposition of income and resources attributable to a child that exceeds the costs
651.11 for out-of-home placement for a child;
- 651.12 (iii) how the county complies with federal reporting requirements related to the use of
651.13 income and resources attributable to a child;
- 651.14 (iv) whether the county uses income and resources attributable to a child for out-of-home
651.15 placement costs for other children who do not receive federal cash assistance benefit
651.16 payments; and
- 651.17 (v) whether the county seeks repayment of federal income and resources attributable to
651.18 a child from the child's parents, who may have received such payments or resources while
651.19 the child is in out-of-home placement, and the ratio of requests for repayment to money
651.20 collected on an annual basis;
- 651.21 (5) to the extent available, demographic information on the children in out-of-home
651.22 placement for whom the county serves as the representative payee; and
- 651.23 (6) other information as determined by the commissioner.
- 651.24 (e) By January 15, 2025, the commissioner shall submit a report to the chairs and ranking
651.25 minority members of the legislative committees with jurisdiction over human services and
651.26 child welfare outlining the plan developed under this section. The report must include a
651.27 projected timeline for implementing the plan, estimated implementation costs, and any
651.28 legislative actions that may be required to implement the plan. The report must also include
651.29 data provided by counties related to the requirements for the parent or custodian of a child
651.30 to reimburse a county for the cost of care, examination, or treatment in subdivision (f), and
651.31 a list of counties that failed to provide complete information and data to the commissioner
651.32 or the commissioner's designee as required under paragraph (d).

652.1 (f) By December 15, 2023, every county shall provide the commissioner of human
652.2 services with the following data from fiscal years 2018 to 2022 in a form prescribed by the
652.3 commissioner:

652.4 (1) the nonduplicated number of cases in which the county charged parental fees to the
652.5 parents or custodians of a child to reimburse the cost of care, examination, or treatment;
652.6 and

652.7 (2) the nonduplicated number of cases in which the county received parental fee payments
652.8 from a parent or custodian of a child to reimburse the cost of care, examination, or treatment,
652.9 and the total amount collected in those cases.

652.10 (g) The commissioner may contract with an individual or entity to collect and analyze
652.11 financial data reported by counties in paragraphs (d) and (f).

652.12 Sec. 38. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; CHILD**
652.13 **PROTECTION INFORMATION TECHNOLOGY SYSTEM REVIEW.**

652.14 (a) The commissioner of human services must contract with an independent consultant
652.15 to perform a thorough evaluation of the social services information system (SSIS) that
652.16 supports the child protection system in Minnesota. The consultant must make
652.17 recommendations for improving the current system for usability, system performance, and
652.18 federal Comprehensive Child Welfare Information System compliance, and must address
652.19 technical problems and identify any unnecessary or unduly burdensome data entry
652.20 requirements that have contributed to system capacity issues. The consultant must assist
652.21 the commissioner with selecting a platform for future development of an information
652.22 technology system for child protection.

652.23 (b) The commissioner of human services must conduct a study and develop
652.24 recommendations to streamline and reduce SSIS data entry requirements for child protection
652.25 cases. The study must review all input fields required on current reporting forms and
652.26 determine which input fields and information are required under state or federal law. The
652.27 study must be completed in partnership with local social services agencies and other entities,
652.28 as determined by the commissioner. By June 30, 2024, the commissioner must provide a
652.29 status report and an implementation timeline to the chairs and ranking minority members
652.30 of the legislative committees with jurisdiction over child protection. The status report must
652.31 include information about the procedures used for soliciting ongoing user input from
652.32 stakeholders, the progress made on soliciting and hiring a consultant to conduct the system
652.33 evaluation required under paragraph (a), and a report on the progress and completed efforts
652.34 to streamline data entry requirements and improve user experiences.

653.1 **Sec. 39. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
653.2 **MALTREATMENT SCREENING UPDATES.**

653.3 (a) The commissioner of human services must send a formal communication to all
653.4 hospital systems and children's residential facilities located in Minnesota informing the
653.5 hospital systems and facilities that the 2023 Minnesota child maltreatment intake, screening,
653.6 and response path guidelines, issued under Minnesota Statutes, section 260E.15, have been
653.7 updated to address situations in which parents or legal guardians of a child are actively
653.8 seeking services needed to keep the child safe but are unable to access the necessary services.
653.9 The communication must clearly state that the 2023 guidelines indicate that such situations
653.10 should not be reported or screened in as maltreatment and must include information on how
653.11 hospital system and children's residential facility administrators and staff can access the
653.12 2023 Minnesota child maltreatment intake, screening, and response path guidelines.

653.13 (b) The commissioner must consult with stakeholders to assess and suggest modifications
653.14 to the maltreatment screening guidelines issued under Minnesota Statutes, section 260E.15,
653.15 so that the parents or legal guardians of a child who is in an emergency department or
653.16 hospital setting due to mental illness, emotional disturbance, or a disability and who cannot
653.17 be safely discharged to the child's parents due to the lack of access to necessary services
653.18 are not considered to be neglecting or abandoning the child, absent other factors or
653.19 circumstances that may indicate neglect or abandonment.

653.20 **Sec. 40. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
653.21 **SURVEY OF OUT-OF-STATE CHILDREN'S RESIDENTIAL FACILITY**
653.22 **PLACEMENTS.**

653.23 (a) By September 1, 2023, the commissioner of human services shall develop and make
653.24 available a survey of all county social services agencies to gather the following data for
653.25 fiscal years 2018 to 2022:

653.26 (1) the aggregate number of children who were placed for any period in a children's
653.27 residential facility under Minnesota Statutes, section 260.93, that is located in another state;
653.28 and

653.29 (2) the total cost for these placements, including county, state, and federal contributions.

653.30 (b) All county social services agencies shall complete the survey and submit responses
653.31 as prescribed by the commissioner by January 31, 2024.

653.32 (c) By March 1, 2024, the commissioner shall submit all survey responses and a list of
653.33 the counties that complied and the counties that failed to comply with the requirements

654.1 under this section to the chairs and ranking minority members of the legislative committees
654.2 with jurisdiction over human services and child protection.

654.3 Sec. 41. **INDEPENDENT LIVING SKILLS FOR FOSTER YOUTH GRANTS.**

654.4 Subdivision 1. **Program established.** The commissioner shall establish direct grants to
654.5 local social service agencies, Tribes, and other organizations to provide independent living
654.6 services to eligible foster youth.

654.7 Subd. 2. **Grant awards.** The commissioner shall request proposals and make grants to
654.8 eligible applicants. The commissioner shall determine the timing and form of the application
654.9 and the criteria for making grant awards to eligible applicants.

654.10 Subd. 3. **Program reporting.** Grant recipients shall provide the commissioner with a
654.11 report that describes all of the activities and outcomes of the services funded by the grant
654.12 program in a format and at a time determined by the commissioner.

654.13 Subd. 4. **Undistributed funds.** Undistributed funds must be reallocated by the
654.14 commissioner for the goals of the grant program. Undistributed funds are available until
654.15 expended.

654.16 Sec. 42. **COMMUNITY RESOURCE CENTERS.**

654.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
654.18 apply.

654.19 (b) "Commissioner" means the commissioner of human services or the commissioner's
654.20 designee.

654.21 (c) "Communities and families who lack opportunities" means any community or family
654.22 that experiences inequities in accessing supports and services due to the community's or
654.23 family's circumstances, including but not limited to racism, income, disability, language,
654.24 gender, and geography.

654.25 (d) "Community resource center" means a community-based coordinated point of entry
654.26 that provides culturally responsive, relationship-based service navigation and other supportive
654.27 services for expecting and parenting families and youth.

654.28 (e) "Culturally responsive, relationship-based service navigation" means the aiding of
654.29 families in finding services and supports that are meaningful to the families in ways that
654.30 are built on trust and that use cultural values, beliefs, and practices of families, communities,

655.1 indigenous families, and Tribal Nations for case planning, service design, and
655.2 decision-making processes.

655.3 (f) "Expecting and parenting family" means any configuration of parents, grandparents,
655.4 guardians, foster parents, kinship caregivers, and youth who are pregnant or expecting or
655.5 have children and youth that they care for and support.

655.6 (g) "Protective factors" means conditions, attributes, or strengths of individuals, families,
655.7 and communities, and in society that mitigate risk, promote the healthy development and
655.8 well-being of children, youth, and families, and help support families.

655.9 Subd. 2. **Community resource centers established.** The commissioner, in consultation
655.10 with other state agencies, partners, and the Community Resource Center Advisory Council,
655.11 may award grants to support the planning, implementation, and evaluation of community
655.12 resource centers to provide culturally responsive, relationship-based service navigation,
655.13 parent, family, and caregiver supports to expecting and parenting families with a focus on
655.14 ensuring equitable access to programs and services that promote protective factors and
655.15 support children and families.

655.16 Subd. 3. **Commissioner's duties; related infrastructure.** The commissioner, in
655.17 consultation with the Community Resource Center Advisory Council, shall:

655.18 (1) develop a request for proposals to support community resource centers;

655.19 (2) provide outreach and technical assistance to support applicants with data or other
655.20 matters pertaining to the equity of access to funding;

655.21 (3) provide technical assistance to grantees, including but not limited to skill building
655.22 and professional development, trainings, evaluations, communities of practice, networking,
655.23 and trauma informed mental health consultation; and

655.24 (4) provide grant coordination and management focused on promoting equity and
655.25 accountability.

655.26 Subd. 4. **Grantee duties.** At a minimum, grantees shall:

655.27 (1) provide culturally responsive, relationship-based service navigation and supports for
655.28 expecting and parenting families;

655.29 (2) improve community engagement and feedback gathering to support continuous
655.30 improvement and program planning to better promote protective factors;

655.31 (3) demonstrate community-based planning with multiple partners;

656.1 (4) develop or use an existing parent and family advisory council consisting of community
656.2 members with lived expertise to advise the work of the grantee; and

656.3 (5) participate in program evaluation, data collection, and technical assistance activities.

656.4 Subd. 5. **Eligibility.** Organizations eligible to receive grant funding under this section
656.5 include:

656.6 (1) community-based organizations, Tribal Nations, urban Indian organizations, local
656.7 and county government agencies, schools, nonprofit agencies or any cooperative of these
656.8 organizations; and

656.9 (2) organizations or cooperatives supporting communities and families who lack
656.10 opportunities.

656.11 Subd. 6. **Community Resource Center Advisory Council; establishment and**
656.12 **duties.** (a) The commissioner, in consultation with other relevant state agencies, shall appoint
656.13 members to the Community Resource Center Advisory Council.

656.14 (b) Membership must be demographically and geographically diverse and include:

656.15 (1) parents and family members with lived experience who lack opportunities;

656.16 (2) community-based organizations serving families who lack opportunities;

656.17 (3) Tribal and urban American Indian representatives;

656.18 (4) county government representatives;

656.19 (5) school and school district representatives; and

656.20 (6) state partner representatives.

656.21 (c) Duties of the Community Resource Center Advisory Council include but are not
656.22 limited to:

656.23 (1) advising the commissioner on the development and funding of a network of
656.24 community resource centers;

656.25 (2) advising the commissioner on the development of requests for proposals and grant
656.26 award processes;

656.27 (3) advising the commissioner on the development of program outcomes and
656.28 accountability measures; and

656.29 (4) advising the commissioner on ongoing governance and necessary support in the
656.30 implementation of community resource centers.

657.1 Subd. 7. **Grantee reporting.** Grantees must report program data and outcomes to the
657.2 commissioner in a manner determined by the commissioner and the Community Resource
657.3 Center Advisory Council.

657.4 Subd. 8. **Evaluation.** The commissioner, in partnership with the Community Resource
657.5 Center Advisory Council, shall develop an outcome and evaluation plan. By July 1, 2025,
657.6 the Community Resource Center Advisory Council must provide a report to the commissioner
657.7 and the chairs and ranking minority members of the legislative committees with jurisdiction
657.8 over health and human services that reflects the duties of the Community Resource Center
657.9 Advisory Council in subdivision 6 and may describe outcomes and impacts related to equity,
657.10 community partnerships, program and service availability, child development, family
657.11 well-being, and child welfare system involvement.

657.12 Sec. 43. **REPEALER.**

657.13 Minnesota Statutes 2022, section 518A.59, is repealed.

657.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

657.15 **ARTICLE 15**

657.16 **MISCELLANEOUS**

657.17 Section 1. Minnesota Statutes 2022, section 246.54, subdivision 1a, as amended by 2023
657.18 S.F. No. 2934, article 8, section 5, if enacted, is amended to read:

657.19 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the
657.20 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the
657.21 following schedule:

657.22 (1) zero percent for the first 30 days;

657.23 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate
657.24 for the client; and

657.25 (3) 100 percent for each day during the stay, including the day of admission, when the
657.26 facility determines that it is clinically appropriate for the client to be discharged.

657.27 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent
657.28 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause
657.29 (2), the county shall be responsible for paying the state only the remaining amount. The
657.30 county shall not be entitled to reimbursement from the client, the client's estate, or from the
657.31 client's relatives, except as provided in section 246.53.

658.1 (c) Between July 1, 2023, and June 30, 2025, the county is not responsible for the cost
658.2 of care under paragraph (a), clause (3), for a person who is committed as a person who has
658.3 a mental illness and is dangerous to the public under section 253B.18 and who is awaiting
658.4 transfer to another state-operated facility or program. This paragraph expires June 30, 2025.

658.5 (d) Notwithstanding any law to the contrary, the client is not responsible for payment
658.6 of the cost of care under this subdivision.

658.7 Sec. 2. Minnesota Statutes 2022, section 256B.0652, subdivision 5, is amended to read:

658.8 **Subd. 5. Authorization; home care nursing services.** (a) All home care nursing services
658.9 shall be authorized by the commissioner or the commissioner's designee. Authorization for
658.10 home care nursing services shall be based on medical necessity and cost-effectiveness when
658.11 compared with alternative care options. The commissioner may authorize medically necessary
658.12 home care nursing services in quarter-hour units when:

658.13 (1) the recipient requires more individual and continuous care than can be provided
658.14 during a skilled nurse visit; or

658.15 (2) the cares are outside of the scope of services that can be provided by a home health
658.16 aide or personal care assistant.

658.17 (b) The commissioner may authorize:

658.18 (1) up to two times the average amount of direct care hours provided in nursing facilities
658.19 statewide for case mix classification "K" as established by the annual cost report submitted
658.20 to the department by nursing facilities in May 1992;

658.21 (2) home care nursing in combination with other home care services and community
658.22 first services and supports as defined in section 256B.85 up to the total cost allowed under
658.23 this subdivision and subdivision 7;

658.24 (3) up to 16 hours per day if the recipient requires more nursing than the maximum
658.25 number of direct care hours as established in clause (1) and, but for the provision of the
658.26 nursing services, the recipient would require a hospital level of care as defined in Code of
658.27 Federal Regulations, title 42, section 440.10.

658.28 (c) The commissioner may authorize up to 16 hours per day of medically necessary
658.29 home care nursing services or up to 24 hours per day of medically necessary home care
658.30 nursing services until such time as the commissioner is able to make a determination of
658.31 eligibility for recipients who are cooperatively applying for home care services under the
658.32 community alternative care program developed under section 256B.49, or until it is

659.1 determined by the appropriate regulatory agency that a health benefit plan is or is not required
659.2 to pay for appropriate medically necessary health care services. Recipients or their
659.3 representatives must cooperatively assist the commissioner in obtaining this determination.
659.4 Recipients who are eligible for the community alternative care program may not receive
659.5 more hours of nursing under this section and sections 256B.0651, 256B.0653, and 256B.0659
659.6 than would otherwise be authorized under section 256B.49.

659.7 EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval
659.8 if required. The commissioner of human services shall notify the revisor of statutes when
659.9 federal approval is obtained.

659.10 Sec. 3. Laws 2021, First Special Session chapter 7, article 2, section 84, is amended to
659.11 read:

659.12 Sec. 84. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FEDERAL**
659.13 **FUND AND CHILD CARE AND DEVELOPMENT BLOCK GRANT**
659.14 **ALLOCATIONS.**

659.15 (a) The commissioner of human services shall allocate \$3,000,000 in fiscal year 2022
659.16 from the child care and development block grant for grants to organizations operating child
659.17 care resource and referral programs under Minnesota Statutes, section 119B.19, to offer a
659.18 child care one-stop regional assistance network.

659.19 (b) The commissioner of human services shall allocate \$50,000 in fiscal year 2022 from
659.20 the child care and development block grant for modifications to the family child care provider
659.21 frequently asked questions website.

659.22 (c) The commissioner of human services shall allocate \$4,500,000 in fiscal year 2022
659.23 from the child care and development block grant for costs to cover the fees related to
659.24 administering child care background studies.

659.25 (d) The commissioner of human services shall allocate \$2,059,000 in fiscal year 2022
659.26 from the child care and development block grant for the child care center regulation
659.27 modernization project.

659.28 (e) The commissioner of human services shall allocate \$1,719,000 in fiscal year 2022
659.29 from the child care and development block grant for the family child care regulation
659.30 modernization project.

659.31 (f) The commissioner of human services shall allocate \$100,000 in fiscal year 2022 from
659.32 the federal fund for a working group to review alternative child care licensing models.

660.1 (g) The commissioner of human services shall allocate \$59,000 in fiscal year 2022 from
660.2 the child care and development block grant for the family child care training advisory
660.3 committee.

660.4 (h) The commissioner of human services shall allocate \$7,650,000 in fiscal year 2022
660.5 from the child care and development block grant for child care information technology and
660.6 system improvements.

660.7 (i) ~~The allocations in this section are available until June 30, 2025~~ Any funds that the
660.8 commissioner of human services determines by June 30, 2023, will not be fully expended
660.9 by the end of the federal award may be used for other allowable activities under United
660.10 States Code, title 42, section 9857 et seq.; Code of Federal Regulations, title 45, parts 98
660.11 and 99; and Public Law 117-2, known as The American Rescue Plan Act of 2021.

660.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

660.13 Sec. 4. Laws 2021, First Special Session chapter 7, article 14, section 23, is amended to
660.14 read:

660.15 Sec. 23. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; FEDERAL**
660.16 **FUND AND CHILD CARE AND DEVELOPMENT BLOCK GRANT**
660.17 **ALLOCATIONS.**

660.18 (a) The commissioner of human services shall allocate \$1,435,000 in fiscal year 2022
660.19 from the child care and development block grant for the quality rating and improvement
660.20 system evaluation and equity report under Minnesota Statutes, section 124D.142, subdivisions
660.21 3 and 4.

660.22 (b) The commissioner of human services shall allocate \$499,000 in fiscal year 2022
660.23 from the child care and development block grant for the ombudsperson for family child
660.24 care providers under Minnesota Statutes, section 245.975.

660.25 (c) The commissioner of human services shall allocate \$858,000 in fiscal year 2022
660.26 from the child care and development block grant for transfer to the commissioner of
660.27 management and budget for the affordable high-quality child care and early education for
660.28 all families working group.

660.29 (d) The commissioner of human services shall allocate \$200,000 in fiscal year 2022
660.30 from the child care and development block grant for transfer to the commissioner of
660.31 management and budget for completion of the early childhood governance report.

661.1 (e) The commissioner of human services shall allocate \$150,000 in fiscal year 2022
661.2 from the child care and development block grant to develop recommendations for
661.3 implementing a family supports and improvement program.

661.4 (f) The commissioner of human services shall allocate \$1,000,000 in fiscal year 2022
661.5 from the child care and development block grant for REETAIN grants under Minnesota
661.6 Statutes, section 119B.195.

661.7 (g) The commissioner of human services shall allocate \$2,000,000 in fiscal year 2022
661.8 from the child care and development block grant for the TEACH program under Minnesota
661.9 Statutes, section 136A.128.

661.10 (h) The commissioner of human services shall allocate \$304,398,000 in fiscal year 2022
661.11 from the federal fund for child care stabilization grants, including up to \$5,000,000 for
661.12 administration.

661.13 (i) The commissioner of human services shall allocate \$200,000 in fiscal year 2022 from
661.14 the federal fund for the shared services pilot program for family child care providers.

661.15 (j) The commissioner of human services shall allocate \$290,000 in fiscal year 2022 from
661.16 the child care and development block grant for a report on participation in early care and
661.17 education programs by children in foster care.

661.18 (k) The commissioner of human services shall allocate \$3,500,000 in fiscal year 2022
661.19 from the child care and development block grant for the commissioner of human services
661.20 to administer the child care and development block grant allocations in this act.

661.21 (l) ~~The allocations in this section are available until June 30, 2025~~ Any funds that the
661.22 commissioner of human services determines by June 30, 2023, will not be fully expended
661.23 by the end of the federal award may be used for other allowable activities under United
661.24 States Code, title 42, section 9857 et seq.; Code of Federal Regulations, title 45, parts 98
661.25 and 99; and Public Law 117-2, known as The American Rescue Plan Act of 2021.

661.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

661.27 Sec. 5. Laws 2023, chapter 52, article 7, section 12, is amended to read:

661.28 Sec. 12. **609A.015 AUTOMATIC EXPUNGEMENT OF RECORDS.**

661.29 Subdivision 1. **Eligibility; dismissal; exoneration.** (a) A person who is the subject of
661.30 a criminal record or delinquency record is eligible for a grant of expungement relief without
661.31 the filing of a petition:

662.1 (1) if the person was arrested and all charges were dismissed after a case was filed unless
662.2 dismissal was based on a finding that the defendant was incompetent to proceed;

662.3 (2) upon the dismissal and discharge of proceedings against a person under section
662.4 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession
662.5 of a controlled substance; or

662.6 (3) if all pending actions or proceedings were resolved in favor of the person.

662.7 (b) For purposes of this chapter, a verdict of not guilty by reason of mental illness is not
662.8 a resolution in favor of the person. For purposes of this chapter, an action or proceeding is
662.9 resolved in favor of the person if the petitioner received an order under section 590.11
662.10 determining that the person is eligible for compensation based on exoneration.

662.11 (c) The service requirements in section 609A.03, subdivision 8, do not apply to any
662.12 expungements ordered under this subdivision.

662.13 (d) An expungement order does not apply to records held by the commissioners of health
662.14 and human services.

662.15 Subd. 2. **Eligibility; diversion and stay of adjudication.** (a) A person is eligible for a
662.16 grant of expungement relief if the person has successfully completed the terms of a diversion
662.17 program or stay of adjudication for a qualifying offense that is not a felony and has not been
662.18 petitioned or charged with a new offense, other than an offense that would be a petty
662.19 misdemeanor, in Minnesota:

662.20 (1) for one year immediately following completion of the diversion program or stay of
662.21 adjudication; or

662.22 (2) for one year immediately preceding a subsequent review performed pursuant to
662.23 subdivision 5, paragraph (a).

662.24 (b) The service requirements in section 609A.03, subdivision 8, do not apply to any
662.25 expungements ordered under this subdivision.

662.26 (c) An expungement order does not apply to records held by the commissioners of health
662.27 and human services.

662.28 Subd. 3. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant
662.29 of expungement relief if the person:

662.30 (1) was convicted of a qualifying offense;

662.31 (2) has not been convicted of a new offense, other than an offense that would be a petty
662.32 misdemeanor, in Minnesota:

663.1 (i) during the applicable waiting period immediately following discharge of the disposition
663.2 or sentence for the crime; or

663.3 (ii) during the applicable waiting period immediately preceding a subsequent review
663.4 performed pursuant to subdivision 5, paragraph (a); and

663.5 (3) is not charged with an offense, other than an offense that would be a petty
663.6 misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting
663.7 period or at the time of a subsequent review.

663.8 (b) As used in this subdivision, "qualifying offense" means a conviction for:

663.9 (1) any petty misdemeanor offense other than a violation of a traffic regulation relating
663.10 to the operation or parking of motor vehicles;

663.11 (2) any misdemeanor offense other than:

663.12 (i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving
663.13 while impaired);

663.14 (ii) section 518B.01, subdivision 14 (violation of an order for protection);

663.15 (iii) section 609.224 (assault in the fifth degree);

663.16 (iv) section 609.2242 (domestic assault);

663.17 (v) section 609.748 (violation of a harassment restraining order);

663.18 (vi) section 609.78 (interference with emergency call);

663.19 (vii) section 609.79 (obscene or harassing phone calls);

663.20 (viii) section 617.23 (indecent exposure);

663.21 (ix) section 609.746 (interference with privacy); or

663.22 (x) section 629.75 (violation of domestic abuse no contact order);

663.23 (3) any gross misdemeanor offense other than:

663.24 (i) section 169A.25 (second-degree driving while impaired);

663.25 (ii) section 169A.26 (third-degree driving while impaired);

663.26 (iii) section 518B.01, subdivision 14 (violation of an order for protection);

663.27 (iv) section 609.2113, subdivision 3 (criminal vehicular operation);

663.28 (v) section 609.2231 (assault in the fourth degree);

663.29 (vi) section 609.224 (assault in the fifth degree);

- 664.1 (vii) section 609.2242 (domestic assault);
- 664.2 (viii) section 609.233 (criminal neglect);
- 664.3 (ix) section 609.3451 (criminal sexual conduct in the fifth degree);
- 664.4 (x) section 609.377 (malicious punishment of child);
- 664.5 (xi) section 609.485 (escape from custody);
- 664.6 (xii) section 609.498 (tampering with witness);
- 664.7 (xiii) section 609.582, subdivision 4 (burglary in the fourth degree);
- 664.8 (xiv) section 609.746 (interference with privacy);
- 664.9 (xv) section 609.748 (violation of a harassment restraining order);
- 664.10 (xvi) section 609.749 (harassment; stalking);
- 664.11 (xvii) section 609.78 (interference with emergency call);
- 664.12 (xviii) section 617.23 (indecent exposure);
- 664.13 (xix) section 617.261 (nonconsensual dissemination of private sexual images); or
- 664.14 (xx) section 629.75 (violation of domestic abuse no contact order); or
- 664.15 (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other
- 664.16 than:
- 664.17 (i) section 152.023, subdivision 2 (possession of a controlled substance in the third
- 664.18 degree);
- 664.19 (ii) 152.024, subdivision 2 (possession of a controlled substance in the fourth degree);
- 664.20 (iii) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil
- 664.21 commitment for mental illness); or
- 664.22 (iv) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent
- 664.23 violation or minor victim).
- 664.24 (c) As used in this subdivision, "applicable waiting period" means:
- 664.25 (1) if the offense was a petty misdemeanor, two years since discharge of the sentence;
- 664.26 (2) if the offense was a misdemeanor, two years since discharge of the sentence for the
- 664.27 crime;
- 664.28 (3) if the offense was a gross misdemeanor, three years since discharge of the sentence
- 664.29 for the crime;

665.1 (4) if the offense was a felony violation of section 152.025, four years since the discharge
665.2 of the sentence for the crime; and

665.3 (5) if the offense was any other felony, five years since discharge of the sentence for the
665.4 crime.

665.5 (d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to
665.6 section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross
665.7 misdemeanor offenses ineligible for a grant of expungement under this section remain
665.8 ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.

665.9 (e) The service requirements in section 609A.03, subdivision 8, do not apply to any
665.10 expungements ordered under this subdivision.

665.11 (f) An expungement order does not apply to records held by the commissioners of health
665.12 and human services.

665.13 Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an
665.14 automatic expungement under this section of that eligibility at any hearing where the court
665.15 dismisses and discharges proceedings against a person under section 152.18, subdivision
665.16 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled
665.17 substance; concludes that all pending actions or proceedings were resolved in favor of the
665.18 person; grants a person's placement into a diversion program; or sentences a person or
665.19 otherwise imposes a consequence for a qualifying offense.

665.20 (b) To the extent possible, prosecutors, defense counsel, supervising agents, and
665.21 coordinators or supervisors of a diversion program shall notify a person who may become
665.22 eligible for an automatic expungement under this section of that eligibility.

665.23 (c) If any party gives notification under this subdivision, the notification shall inform
665.24 the person that:

665.25 (1) a record expunged under this section may be opened for purposes of a background
665.26 study by the Department of Human Services or the Department of Health under section
665.27 245C.08 and for purposes of a background check by the Professional Educator Licensing
665.28 and Standards Board as required under section 122A.18, subdivision 8; and

665.29 (2) the person can file a petition under section 609A.03, subject to the process in section
665.30 609A.03 and the limitations in section 609A.02, to expunge the record and request that the
665.31 petition be directed to records held by the commissioner of human services, the commissioner
665.32 of health, and the Professional Educator Licensing and Standards Board.

666.1 Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant**
666.2 **expungement relief.** (a) The Bureau of Criminal Apprehension shall identify any records
666.3 that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1,
666.4 2, or 3. The Bureau of Criminal Apprehension shall make an initial determination of
666.5 eligibility within 30 days of the end of the applicable waiting period. If a record is not
666.6 eligible for a grant of expungement at the time of the initial determination, the Bureau of
666.7 Criminal Apprehension shall make subsequent eligibility determinations annually until the
666.8 record is eligible for a grant of expungement.

666.9 (b) In making the determination under paragraph (a), the Bureau of Criminal
666.10 Apprehension shall identify individuals who are the subject of relevant records through the
666.11 use of fingerprints and thumbprints where fingerprints and thumbprints are available. Where
666.12 fingerprints and thumbprints are not available, the Bureau of Criminal Apprehension shall
666.13 identify individuals through the use of the person's name and date of birth. Records containing
666.14 the same name and date of birth shall be presumed to refer to the same individual unless
666.15 other evidence establishes, by a preponderance of the evidence, that they do not refer to the
666.16 same individual. The Bureau of Criminal Apprehension is not required to review any other
666.17 evidence in making a determination.

666.18 (c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying
666.19 persons and seal its own records without requiring an application, petition, or motion.
666.20 Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to
666.21 paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional
666.22 information establishes that the records are not eligible for expungement.

666.23 (d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension
666.24 and subject to a grant of expungement relief shall display a notation stating "expungement
666.25 relief granted pursuant to section 609A.015."

666.26 (e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases
666.27 for which expungement relief was granted pursuant to this section. Notification may be
666.28 through electronic means and may be made in real time or in the form of a monthly report.
666.29 Upon receipt of notice, the judicial branch shall seal all records relating to an arrest,
666.30 indictment or information, trial, verdict, or dismissal and discharge for any case in which
666.31 expungement relief was granted and shall issue any order deemed necessary to achieve this
666.32 purpose.

666.33 (f) The Bureau of Criminal Apprehension shall inform each law enforcement agency
666.34 that its records may be affected by a grant of expungement relief. Notification may be

667.1 through electronic means. Each notified law enforcement agency that receives a request to
667.2 produce records shall first determine if the records were subject to a grant of expungement
667.3 under this section. The law enforcement agency must not disclose records relating to an
667.4 arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in
667.5 which expungement relief was granted and must maintain the data consistent with the
667.6 classification in paragraph (g). This paragraph does not apply to requests from a criminal
667.7 justice agency as defined in section 609A.03, subdivision 7a, paragraph (f).

667.8 (g) Data on the person whose offense has been expunged under this subdivision, including
667.9 any notice sent pursuant to paragraph (f), are private data on individuals as defined in section
667.10 13.02, subdivision 12.

667.11 (h) The prosecuting attorney shall notify the victim that an offense qualifies for automatic
667.12 expungement under this section in the manner provided in section 611A.03, subdivisions
667.13 1 and 2.

667.14 (i) In any subsequent prosecution of a person granted expungement relief, the expunged
667.15 criminal record may be pleaded and has the same effect as if the relief had not been granted.

667.16 (j) The Bureau of Criminal Apprehension is directed to develop, modify, or update a
667.17 system to provide criminal justice agencies with uniform statewide access to criminal records
667.18 sealed by expungement.

667.19 Subd. 6. **Immunity from civil liability.** Employees of the Bureau of Criminal
667.20 Apprehension shall not be held civilly liable for the exercise or the failure to exercise, or
667.21 the decision to exercise or the decision to decline to exercise, the powers granted by this
667.22 section or for any act or omission occurring within the scope of the performance of their
667.23 duties under this section.

667.24 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to offenses
667.25 that meet the eligibility criteria on or after that date and applies retroactively to offenses
667.26 that met the eligibility criteria before January 1, 2025, and are stored in the Bureau of
667.27 Criminal Apprehension's criminal history system as of January 1, 2025.

667.28 Sec. 6. Laws 2023, chapter 52, article 7, section 16, as amended by:

667.29 Sec. 16. Minnesota Statutes 2022, section 609A.03, subdivision 7a, as amended by:

667.30 Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance
667.31 of an expungement order related to a charge supported by probable cause, the DNA samples
667.32 and DNA records held by the Bureau of Criminal Apprehension and collected under authority

668.1 other than section 299C.105 shall not be sealed, returned to the subject of the record, or
668.2 destroyed.

668.3 (b) Notwithstanding the issuance of an expungement order:

668.4 (1) except as provided in clause (2), an expunged record may be opened, used, or
668.5 exchanged between criminal justice agencies without a court order for the purposes of
668.6 initiating, furthering, or completing a criminal investigation or prosecution or for sentencing
668.7 purposes or providing probation or other correctional services;

668.8 (2) when a criminal justice agency seeks access to a record that was sealed under section
668.9 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing
668.10 for lack of probable cause, for purposes of a criminal investigation, prosecution, or
668.11 sentencing, the requesting agency must obtain an ex parte court order after stating a
668.12 good-faith basis to believe that opening the record may lead to relevant information;

668.13 (3) an expunged record of a conviction may be opened for purposes of evaluating a
668.14 prospective employee in a criminal justice agency without a court order;

668.15 (4) an expunged record of a conviction may be opened for purposes of a background
668.16 study under section 245C.08 unless the commissioner had been properly served with notice
668.17 of the petition for expungement and the court order for expungement is directed specifically
668.18 to the commissioner of human services following proper service of a petition, or following
668.19 proceedings under section 609A.017, 609A.025, or 609A.035 upon service of an order to
668.20 the commissioner of human services;

668.21 (5) an expunged record of a conviction may be opened for purposes of a background
668.22 check required under section 122A.18, subdivision 8, unless the court order for expungement
668.23 is directed specifically to the Professional Educator Licensing and Standards Board;

668.24 (6) the court may order an expunged record opened upon request by the victim of the
668.25 underlying offense if the court determines that the record is substantially related to a matter
668.26 for which the victim is before the court;

668.27 (7) a prosecutor may request, and the district court shall provide, certified records of
668.28 conviction for a record expunged pursuant to sections 609A.015, 609A.017, 609A.02,
668.29 609A.025, and 609A.035, and the certified records of conviction may be disclosed and
668.30 introduced in criminal court proceedings as provided by the rules of court and applicable
668.31 law; and

669.1 (8) the subject of an expunged record may request, and the court shall provide, certified
669.2 or uncertified records of conviction for a record expunged pursuant to sections 609A.015,
669.3 609A.017, 609A.02, 609A.025, and 609A.035.

669.4 (c) An agency or jurisdiction subject to an expungement order shall maintain the record
669.5 in a manner that provides access to the record by a criminal justice agency under paragraph
669.6 (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau
669.7 of Criminal Apprehension shall notify the commissioner of human services or the
669.8 Professional Educator Licensing and Standards Board of the existence of a sealed record
669.9 and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the
669.10 agency or jurisdiction subject to the expungement order shall provide access to the record
669.11 to the commissioner of human services or the Professional Educator Licensing and Standards
669.12 Board under paragraph (b), clause (4) or (5).

669.13 (d) An expunged record that is opened or exchanged under this subdivision remains
669.14 subject to the expungement order in the hands of the person receiving the record.

669.15 (e) A criminal justice agency that receives an expunged record under paragraph (b),
669.16 clause (1) or (2), must maintain and store the record in a manner that restricts the use of the
669.17 record to the investigation, prosecution, or sentencing for which it was obtained.

669.18 (f) For purposes of this section, a "criminal justice agency" means a court or government
669.19 agency that performs the administration of criminal justice under statutory authority.

669.20 (g) This subdivision applies to expungement orders subject to its limitations and effective
669.21 on or after January 1, 2015, and grants of expungement relief issued on or after January 1,
669.22 2025.

669.23 **EFFECTIVE DATE.** This section is effective August 1, 2023.

669.24 Sec. 7. Minnesota Statutes 2022, section 245D.261, subdivision 3, as added by 2023 S.F.
669.25 No. 2934, article 1, section 6, if enacted, is amended to read:

669.26 Subd. 3. **Provider requirements for remote overnight supervision; commissioner**
669.27 **notification.** (a) A license holder providing remote overnight supervision in a community
669.28 residential setting must:

669.29 (1) use technology;

669.30 (2) notify the commissioner of the community residential setting's intent to use technology
669.31 in lieu of on-site staff. The notification must:

669.32 (i) indicate a start date for the use of technology; and

670.1 (ii) attest that all requirements under this section are met and policies required under
670.2 subdivision 4 are available upon request;

670.3 (3) clearly state in each person's support plan addendum that the community residential
670.4 setting is a program without the in-person presence of overnight direct support;

670.5 (4) include with each person's support plan addendum the license holder's protocols for
670.6 responding to situations that present a serious risk to the health, safety, or rights of residents
670.7 served by the program; and

670.8 (5) include in each person's support plan addendum the person's maximum permissible
670.9 response time as determined by the person's support team.

670.10 ~~(b) Upon being notified via technology that an incident has occurred that may jeopardize~~
670.11 ~~the health, safety, or rights of a resident, the license holder must document an evaluation~~
670.12 ~~of the need for the physical presence of a staff member. If a physical presence is needed, a~~
670.13 ~~staff person, volunteer, or contractor must be on site to respond to the situation within the~~
670.14 ~~resident's maximum permissible response time. Upon being notified via technology that an~~
670.15 ~~incident has occurred that jeopardizes the health, safety, or rights of a resident, the license~~
670.16 ~~holder must document an evaluation of the need for the physical presence of a staff member~~
670.17 ~~and determine whether a physical presence is needed in a time that is less than the maximum~~
670.18 ~~permissible response time under paragraph (a), clause (5). If it is determined that a physical~~
670.19 ~~presence is needed that requires a response time less than the maximum response time under~~
670.20 ~~paragraph (a), clause (5), the plan under subdivision 4, paragraph (a), clause (6), must be~~
670.21 ~~deployed.~~

670.22 (c) A license holder must notify the commissioner if remote overnight supervision
670.23 technology will no longer be used by the license holder.

670.24 (d) Upon receipt of notification of use of remote overnight supervision or discontinuation
670.25 of use of remote overnight supervision by a license holder, the commissioner shall notify
670.26 the county licensing agency and update the license.

670.27 Sec. 8. 2023 S.F. No. 2934, article 9, section 2, subdivision 16, if enacted, is amended to
670.28 read:

670.29 Subd. 16. **Grant Programs; Disabilities Grants** 113,684,000 30,377,000

670.30 (a) **Temporary Grants for Small**

670.31 **Customized Living Providers.** \$5,450,000

670.32 in fiscal year 2024 is for grants to assist small

670.33 customized living providers to transition to

671.1 community residential services licensure or
671.2 integrated community supports licensure.
671.3 Notwithstanding Minnesota Statutes, section
671.4 16A.28, this appropriation is available until
671.5 June 30, 2027. This is a onetime appropriation.

671.6 **(b) Lead Agency Capacity Building Grants.**
671.7 \$444,000 in fiscal year 2024 and \$2,396,000
671.8 in fiscal year 2025 are for grants to assist
671.9 organizations, counties, and Tribes to build
671.10 capacity for employment opportunities for
671.11 people with disabilities. The base for this
671.12 appropriation is \$2,413,000 in fiscal year 2026
671.13 and \$2,411,000 in fiscal year 2027.

671.14 **(c) Employment and Technical Assistance**
671.15 **Center Grants.** \$450,000 in fiscal year 2024
671.16 and \$1,800,000 in fiscal year 2025 are for
671.17 employment and technical assistance grants
671.18 to assist organizations and employers in
671.19 promoting a more inclusive workplace for
671.20 people with disabilities.

671.21 **(d) Case Management Training Grants.**
671.22 \$37,000 in fiscal year 2024 and \$123,000 in
671.23 fiscal year 2025 are for grants to provide case
671.24 management training to organizations and
671.25 employers to support the state's disability
671.26 employment supports system. The base for
671.27 this appropriation is \$45,000 in fiscal year
671.28 2026 and \$45,000 in fiscal year 2027.

671.29 **(e) Self-Directed Bargaining Agreement;**
671.30 **Electronic Visit Verification Stipends.**
671.31 \$6,095,000 in fiscal year 2024 is for onetime
671.32 stipends of \$200 to bargaining members to
671.33 offset the potential costs related to people
671.34 using individual devices to access the
671.35 electronic visit verification system. Of this

672.1 amount, \$5,600,000 is for stipends and
672.2 \$495,000 is for administration. This is a
672.3 onetime appropriation and is available until
672.4 June 30, 2025.

672.5 **(f) Self-Directed Collective Bargaining**
672.6 **Agreement; Temporary Rate Increase**
672.7 **Memorandum of Understanding.** \$1,600,000
672.8 in fiscal year 2024 is for onetime stipends for
672.9 individual providers covered by the SEIU
672.10 collective bargaining agreement based on the
672.11 memorandum of understanding related to the
672.12 temporary rate increase in effect between
672.13 December 1, 2020, and February 7, 2021. Of
672.14 this amount, \$1,400,000 of the appropriation
672.15 is for stipends and \$200,000 is for
672.16 administration. This is a onetime
672.17 appropriation.

672.18 **(g) Self-Directed Collective Bargaining**
672.19 **Agreement; Retention Bonuses.** \$50,750,000
672.20 in fiscal year 2024 is for onetime retention
672.21 bonuses covered by the SEIU collective
672.22 bargaining agreement. Of this amount,
672.23 \$50,000,000 is for retention bonuses and
672.24 \$750,000 is for administration of the bonuses.
672.25 This is a onetime appropriation and is
672.26 available until June 30, 2025.

672.27 **(h) Self-Directed Bargaining Agreement;**
672.28 **Training Stipends.** \$2,100,000 in fiscal year
672.29 2024 and \$100,000 in fiscal year 2025 are for
672.30 onetime stipends of \$500 for collective
672.31 bargaining unit members who complete
672.32 designated, voluntary trainings made available
672.33 through or recommended by the State Provider
672.34 Cooperation Committee. Of this amount,
672.35 \$2,000,000 in fiscal year 2024 is for stipends,

673.1 and \$100,000 in fiscal year 2024 and \$100,000
673.2 in fiscal year 2025 are for administration. This
673.3 is a onetime appropriation.

673.4 **(i) Self-Directed Bargaining Agreement;**
673.5 **Orientation Program.** \$2,000,000 in fiscal
673.6 year 2024 and \$2,000,000 in fiscal year 2025
673.7 are for onetime \$100 payments to collective
673.8 bargaining unit members who complete
673.9 voluntary orientation requirements. Of this
673.10 amount, \$1,500,000 in fiscal year 2024 and
673.11 \$1,500,000 in fiscal year 2025 are for the
673.12 onetime \$100 payments, and \$500,000 in
673.13 fiscal year 2024 and \$500,000 in fiscal year
673.14 2025 are for orientation-related costs. This is
673.15 a onetime appropriation.

673.16 **(j) Self-Directed Bargaining Agreement;**
673.17 **Home Care Orientation Trust.** \$1,000,000
673.18 in fiscal year 2024 is for the Home Care
673.19 Orientation Trust under Minnesota Statutes,
673.20 section 179A.54, subdivision 11. The
673.21 commissioner shall disburse the appropriation
673.22 to the board of trustees of the Home Care
673.23 Orientation Trust for deposit into an account
673.24 designated by the board of trustees outside the
673.25 state treasury and state's accounting system.
673.26 This is a onetime appropriation.

673.27 **(k) HIV/AIDS Supportive Services.**
673.28 \$12,100,000 in fiscal year 2024 is for grants
673.29 to community-based HIV/AIDS supportive
673.30 services providers as defined in Minnesota
673.31 Statutes, section 256.01, subdivision 19, and
673.32 for payment of allowed health care costs as
673.33 defined in Minnesota Statutes, section ~~256.935~~
673.34 256.9365. This is a onetime appropriation and
673.35 is available until June 30, 2025.

- 674.1 **(l) Motion Analysis Advancements Clinical**
674.2 **Study and Patient Care.** \$400,000 is fiscal
674.3 year 2024 is for a grant to the Mayo Clinic
674.4 Motion Analysis Laboratory and Limb Lab
674.5 for continued research in motion analysis
674.6 advancements and patient care. This is a
674.7 onetime appropriation and is available through
674.8 June 30, 2025.
- 674.9 **(m) Grant to Family Voices in Minnesota.**
674.10 \$75,000 in fiscal year 2024 and \$75,000 in
674.11 fiscal year 2025 are for a grant to Family
674.12 Voices in Minnesota under Minnesota
674.13 Statutes, section 256.4776.
- 674.14 **(n) Parent-to-Parent Programs.**
- 674.15 (1) \$550,000 in fiscal year 2024 and \$550,000
674.16 in fiscal year 2025 are for grants to
674.17 organizations that provide services to
674.18 underserved communities with a high
674.19 prevalence of autism spectrum disorder. This
674.20 is a onetime appropriation and is available
674.21 until June 30, 2025.
- 674.22 (2) The commissioner shall give priority to
674.23 organizations that provide culturally specific
674.24 and culturally responsive services.
- 674.25 (3) Eligible organizations must:
- 674.26 (i) conduct outreach and provide support to
674.27 newly identified parents or guardians of a child
674.28 with special health care needs;
- 674.29 (ii) provide training to educate parents and
674.30 guardians in ways to support their child and
674.31 navigate the health, education, and human
674.32 services systems;

675.1 (iii) facilitate ongoing peer support for parents
675.2 and guardians from trained volunteer support
675.3 parents; and

675.4 (iv) communicate regularly with other
675.5 parent-to-parent programs and national
675.6 organizations to ensure that best practices are
675.7 implemented.

675.8 (4) Grant recipients must use grant money for
675.9 the activities identified in clause (3).

675.10 (5) For purposes of this paragraph, "special
675.11 health care needs" means disabilities, chronic
675.12 illnesses or conditions, health-related
675.13 educational or behavioral problems, or the risk
675.14 of developing disabilities, illnesses, conditions,
675.15 or problems.

675.16 (6) Each grant recipient must report to the
675.17 commissioner of human services annually by
675.18 January 15 with measurable outcomes from
675.19 programs and services funded by this
675.20 appropriation the previous year including the
675.21 number of families served and the number of
675.22 volunteer support parents trained by the
675.23 organization's parent-to-parent program.

675.24 (o) **Self-Advocacy Grants for Persons with**
675.25 **Intellectual and Developmental Disabilities.**
675.26 \$323,000 in fiscal year 2024 and \$323,000 in
675.27 fiscal year 2025 are for self-advocacy grants
675.28 under Minnesota Statutes, section 256.477.

675.29 Of these amounts, \$218,000 in fiscal year
675.30 2024 and \$218,000 in fiscal year 2025 are for
675.31 the activities under Minnesota Statutes, section
675.32 256.477, subdivision 1, paragraph (a), clauses
675.33 (5) to (7), and for administrative costs, and
675.34 \$105,000 in fiscal year 2024 and \$105,000 in

676.1 fiscal year 2025 are for the activities under
676.2 Minnesota Statutes, section 256.477,
676.3 subdivision 2.

676.4 **(p) Technology for Home Grants.** \$300,000
676.5 in fiscal year 2024 and \$300,000 in fiscal year
676.6 2025 are for technology for home grants under
676.7 Minnesota Statutes, section 256.4773.

676.8 **(q) Community Residential Setting**
676.9 **Transition.** \$500,000 in fiscal year 2024 is
676.10 for a grant to Hennepin County to expedite
676.11 approval of community residential setting
676.12 licenses subject to the corporate foster care
676.13 moratorium exception under Minnesota
676.14 Statutes, section 245A.03, subdivision 7,
676.15 paragraph (a), clause (5).

676.16 **(r) Base Level Adjustment.** The general fund
676.17 base is \$27,343,000 in fiscal year 2026 and
676.18 \$27,016,000 in fiscal year 2027.

676.19 **Sec. 9. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CHILD**
676.20 **CARE AND DEVELOPMENT BLOCK GRANT ALLOCATIONS.**

676.21 (a) The commissioner of human services shall allocate \$22,000,000 in fiscal year 2024,
676.22 \$8,000,000 in fiscal year 2025, \$8,000,000 in fiscal year 2026, and \$8,000,000 in fiscal
676.23 year 2027 from the child care and development block grant for the child care assistance
676.24 program rates under Minnesota Statutes, section 119B.13.

676.25 (b) The commissioner of human services shall allocate \$7,824,000 in fiscal year 2025,
676.26 \$8,406,000 in fiscal year 2026, and \$8,960,000 in fiscal year 2027 from the child care and
676.27 development block grant for basic sliding fee program reprioritization under Minnesota
676.28 Statutes, section 119B.03.

676.29 (c) The commissioner of human services shall allocate \$11,250,000 in fiscal year 2024,
676.30 \$11,500,000 in fiscal year 2025, \$11,500,000 in fiscal year 2026, and \$11,500,000 in fiscal
676.31 year 2027 for additional funding for the basic sliding fee program under Minnesota Statutes,
676.32 section 119B.03

677.1 (d) The commissioner of human services shall allocate \$2,920,000 in fiscal year 2025,
677.2 \$2,920,000 in fiscal year 2026, and \$2,920,000 in fiscal year 2027 from the child care and
677.3 development block grant for the child care one-stop shop regional assistance network under
677.4 Minnesota Statutes, section 119B.19, subdivision 7, clause (9).

677.5 (e) The commissioner of human services shall allocate \$500,000 in fiscal year 2024,
677.6 \$500,000 in fiscal year 2025, \$500,000 in fiscal year 2026, and \$500,000 in fiscal year 2027
677.7 from the child care and development block grant for the shared services grants under
677.8 Minnesota Statutes, section 119B.28.

677.9 (f) The commissioner of human services shall allocate \$300,000 in fiscal year 2024,
677.10 \$300,000 in fiscal year 2025, \$300,000 in fiscal year 2026, and \$300,000 in fiscal year 2027
677.11 from the child care and development block grant for child care provider access to technology
677.12 grants under Minnesota Statutes, section 119B.29.

677.13 **Sec. 10. INFORMATION TECHNOLOGY PROJECTS FOR SERVICE DELIVERY**
677.14 **TRANSFORMATION.**

677.15 Subdivision 1. **Uses of appropriations.** Amounts appropriated to the commissioner of
677.16 human services for subdivisions 3 to 7 must be expended only to achieve the outcomes
677.17 identified in each subdivision. The commissioner must allocate available appropriations to
677.18 maximize federal funding and achieve the outcomes specified in subdivisions 3 to 7.

677.19 Subd. 2. **Reports required.** (a) The commissioner of human services, in consultation
677.20 with the commissioner of information technology services, must submit a report to the chairs
677.21 and ranking minority members of the legislative committees with jurisdiction over health
677.22 and human services policy and finance by October 1, 2023, that identifies:

677.23 (1) a schedule of planned completion dates for the projects included in subdivisions 3
677.24 to 7;

677.25 (2) the projected budget amount for each project included in subdivisions 3 to 7; and

677.26 (3) baseline metrics and other performance indicators against which progress will be
677.27 measured so that the outcomes identified in subdivisions 3 to 7 are achieved.

677.28 (b) To the extent practicable, the metrics and performance indicators required under
677.29 paragraph (a) must be specific and expressed in easily understood terms; measurable;
677.30 achievable; relevant; and time bound. Any changes to the outcomes, metrics, or other
677.31 performance indicators under this subdivision must be developed in consultation with the
677.32 commissioner of information technology services and reported to the chairs and ranking

678.1 minority members of the legislative committees with jurisdiction over health and human
678.2 services policy and finance in the report submitted under paragraph (c).

678.3 (c) By October 1, 2024, and each October 1 thereafter, until all funds are expended or
678.4 all outcomes are achieved, whichever occurs first, the commissioner must submit a report
678.5 to the chairs and ranking minority members of the legislative committees with jurisdiction
678.6 over health and human services policy and finance that identifies the actual amounts expended
678.7 for each project in subdivisions 3 to 7, including a description of the types and purposes of
678.8 expenditures. The report must also describe progress toward achieving the outcomes for
678.9 each project based on the baseline metrics and performance indicators established in the
678.10 report required under paragraph (a) during the previous fiscal year.

678.11 Subd. 3. **Transforming service delivery.** Any amount appropriated for this subdivision
678.12 is to advance efforts to develop and maintain a person-centered human services system by
678.13 increasing the ease, speed, and simplicity of accessing human services for Minnesotans,
678.14 and for county, Tribal, and state human services workers. Outcomes to be achieved include:

678.15 (1) funding foundational work and persistent cross-functional product teams of business
678.16 and technology resources to support ongoing iterative development that:

678.17 (i) improves the experience of Minnesotans interacting with the human services system,
678.18 including reducing the overall time from an application to the determination of eligibility
678.19 and receiving of benefits;

678.20 (ii) improves information technology delivery times and efficiency of software
678.21 development by increasing business agility to respond to new or shifting needs; and

678.22 (iii) improves the experience of county and Tribal human services workers;

678.23 (2) developing and hosting dashboards, visualizations, or analytics that can be shared
678.24 with external partners and the public to foster data-driven decision making; and

678.25 (3) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

678.26 Subd. 4. **Integrated services for children and families.** (a) Any amount appropriated
678.27 for this subdivision is to stabilize and update legacy information technology systems,
678.28 modernize systems, and develop a plan for the future of information technology systems
678.29 for the programs that serve children and families. Outcomes to be achieved include:

678.30 (1) reducing unscheduled downtime on Social Services Information System by at least
678.31 20 percent;

679.1 (2) completing the transition of automated child support systems from mainframe
679.2 technology to a web-based environment;

679.3 (3) making information received regarding an individual's eligibility for benefits easier
679.4 to understand;

679.5 (4) enhancing the child support participant portal to provide additional options for
679.6 uploading and updating information, making payments, exchanging data securely, and
679.7 providing other features requested by users of the portal; and

679.8 (5) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

679.9 (b) The commissioner must contract with an independent consultant to perform a thorough
679.10 evaluation of the SSIS, which supports the child protection system in Minnesota. The
679.11 consultant must make recommendations for improving the current system for usability,
679.12 system performance, and federal Comprehensive Child Welfare Information System
679.13 compliance and must address technical problems and identify any unnecessary or unduly
679.14 burdensome data entry requirements that have contributed to system capacity issues. The
679.15 consultant must assist the commissioner with selecting a platform for future development
679.16 of an information technology system for child protection.

679.17 (c) The commissioner of human services must conduct a study and develop
679.18 recommendations to streamline and reduce SSIS data entry requirements for child protection
679.19 cases. The study must be completed in partnership with local social services agencies and
679.20 others, as determined by the commissioner. The study must review all input fields required
679.21 on current reporting forms and determine which input fields and information are required
679.22 under state or federal law. By June 30, 2024, the commissioner must provide a status report
679.23 and an implementation timeline to the chairs and ranking minority members of the legislative
679.24 committees with jurisdiction over child protection. The status report must include information
679.25 about procedures for soliciting ongoing user input from stakeholders, progress on solicitation
679.26 and hiring of a consultant to conduct the system evaluation required under paragraph (a),
679.27 and a report on the progress and completed efforts to streamline data entry requirements
679.28 and improve user experience.

679.29 Subd. 5. **Medicaid Management Information System modernization.** Any amount
679.30 appropriated for this subdivision is to meet federal compliance requirements and enhance,
679.31 modernize, and stabilize the functionality of Minnesota's Medicaid Management Information
679.32 System. Outcomes to be achieved include:

680.1 (1) reducing disruptions and delays in filling prescriptions for medical assistance and
680.2 MinnesotaCare enrollees, and improving call center support for pharmacies and enrollees
680.3 to ensure prompt resolution of issues;

680.4 (2) improving the timeliness and accuracy of claims processing and approval of prior
680.5 authorization requests;

680.6 (3) advancing the exchange of health information between providers and trusted partners
680.7 so that enrollee care is timely, coordinated, proactive, and reflects the preferences and culture
680.8 of the enrollee and their family; and

680.9 (4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

680.10 Subd. 6. **Provider licensing and reporting hub.** Any amount appropriated for this
680.11 subdivision is to develop, implement, and support ongoing maintenance and operations of
680.12 an integrated human services provider licensing and reporting hub. Outcomes to be achieved
680.13 include:

680.14 (1) creating and maintaining user personas for all provider licensing and reporting hub
680.15 users that document the unique requirements for each user;

680.16 (2) creating an electronic licensing application within the provider licensing and reporting
680.17 hub to ensure efficient data collection and analysis;

680.18 (3) creating a persistent, cross-functional product team of business and technology
680.19 resources to support the ongoing iterative development of the provider licensing and reporting
680.20 hub; and

680.21 (4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

680.22 Subd. 7. **Improving the Minnesota Eligibility Technology System functionality.** Any
680.23 amount appropriated for this subdivision is to meet federal compliance requirements and
680.24 for necessary repairs to improve the core functionality of the Minnesota Eligibility
680.25 Technology System to improve the speed and accuracy of eligibility determinations and
680.26 reduce the administrative burden for state, county, and Tribal workers. Outcomes to be
680.27 achieved include:

680.28 (1) implementing the capability for medical assistance and MinnesotaCare enrollees to
680.29 apply, renew, and make changes to their eligibility and select health plans online;

680.30 (2) reducing manual data entry and other steps taken by county and Tribal eligibility
680.31 workers to improve the accuracy and timeliness of eligibility determinations;

680.32 (3) completing necessary changes to comply with federal requirements; and

681.1 (4) other outcomes identified by the commissioner under subdivision 2, paragraph (b).

681.2 Sec. 11. **OUTCOMES AND EVALUATION CONSULTATION REQUIREMENTS.**

681.3 Before implementing any new grant program established in this act that includes program
681.4 outcomes, evaluation metrics or requirements, progress indicators, or other related
681.5 measurements and with a budget of \$750,000 or more per fiscal year, the commissioner
681.6 administering the program shall submit to the commissioner of management and budget
681.7 draft measurements and consult with the commissioner of management and budget on those
681.8 measurements. The consultation required under this section must be completed within 30
681.9 days after the consultation is requested. After consultation, the commissioner must
681.10 incorporate measurements agreed upon through consultation with the commissioner of
681.11 management and budget into grant applications, requests for proposals, contracts, and any
681.12 reports to the legislature.

681.13 Sec. 12. **EFFECTIVE DATE CHANGES.**

681.14 (a) The effective date for 2023 S.F. No. 2934, article 3, section 5, if enacted during the
681.15 2023 regular legislative session, is January 1, 2024, or upon federal approval, whichever
681.16 occurs later, except that paragraph (a), clause (6), is effective the day following final
681.17 enactment. The commissioner of human services shall notify the revisor of statutes when
681.18 federal approval is obtained. This paragraph prevails over any contrary effective date for
681.19 2023 S.F. No. 2934, article 3, section 5, enacted during the 2023 regular legislative session,
681.20 regardless of order of enactment.

681.21 (b) The effective date for 2023 S.F. No. 2934, article 5, section 10, if enacted during the
681.22 2023 regular legislative session, is the day following final enactment, except for paragraph
681.23 (p), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary
681.24 effective date for 2023 S.F. No. 2934, article 5, section 10, enacted during the 2023 regular
681.25 legislative session, regardless of order of enactment.

681.26 (c) The effective date for 2023 S.F. No. 2934, article 5, section 11, if enacted during the
681.27 2023 regular legislative session, is the day following final enactment, except for paragraph
681.28 (g), which is effective retroactive to June 30, 2022. This paragraph prevails over any contrary
681.29 effective date for 2023 S.F. No. 2934, article 5, section 11, enacted during the 2023 regular
681.30 legislative session, regardless of order of enactment.

682.1

ARTICLE 16

682.2

HEALTH CARE AFFORDABILITY AND DELIVERY682.3 Section 1. **[4.047] HEALTH SUBCABINET.**682.4 Subdivision 1. **Establishment.** The Health Subcabinet is established.682.5 Subd. 2. **Membership.** The Health Subcabinet shall consist of the commissioners of
682.6 human services, commerce, management and budget, and health and the executive director
682.7 of MNsure.682.8 Subd. 3. **Director; staffing and administrative support.** An executive director must
682.9 be hired to manage the activities of the Health Subcabinet and serve as its chair. The
682.10 commissioner of management and budget, in coordination with other state agencies and
682.11 boards, as applicable, must provide staffing and administrative support to the executive
682.12 director and the subcabinet established in this section.682.13 Subd. 4. **Duties.** The Health Subcabinet shall coordinate state agency and, as applicable,
682.14 private sector efforts to reform the health care delivery and payment systems; foster
682.15 sustainability in health care spending; ensure the availability of affordable and comprehensive
682.16 health care coverage and health care; ensure access to high-quality health care services; and
682.17 reduce disparities and inequities in the experience or outcomes of health care.682.18 Sec. 2. Minnesota Statutes 2022, section 62J.03, is amended by adding a subdivision to
682.19 read:682.20 Subd. 11. **Health care entity.** "Health care entity" includes clinics, hospitals, ambulatory
682.21 surgical centers, physician organizations, accountable care organizations, integrated provider
682.22 and plan systems, county-based purchasing plans, health carriers, health care providers as
682.23 defined under section 62J.03, subdivision 8, and entities required to report under section
682.24 62J.84.682.25 Sec. 3. **[62J.0416] IDENTIFY STRATEGIES FOR REDUCTION OF**
682.26 **ADMINISTRATIVE SPENDING AND LOW-VALUE CARE.**682.27 (a) The commissioner of health shall develop recommendations for strategies to reduce
682.28 the volume and growth of administrative spending by health care organizations and group
682.29 purchasers, and the magnitude of low-value care delivered to Minnesota residents. The
682.30 commissioner shall:682.31 (1) review the availability of data and identify gaps in the data infrastructure to estimate
682.32 aggregated and disaggregated administrative spending and low-value care;

683.1 (2) based on available data, estimate the volume and change over time of administrative
683.2 spending and low-value care in Minnesota;

683.3 (3) conduct an environmental scan and key informant interviews with experts in health
683.4 care finance, health economics, health care management or administration, and the
683.5 administration of health insurance benefits to determine drivers of spending growth for
683.6 spending on administrative services or the provision of low-value care; and

683.7 (4) convene a clinical learning community and an employer task force to review the
683.8 evidence from clauses (1) to (3) and develop a set of actionable strategies to address
683.9 administrative spending volume and growth and the magnitude of the volume of low-value
683.10 care.

683.11 (b) By March 31, 2025, the commissioner shall deliver the recommendations to the
683.12 chairs and ranking minority members of the legislative committees with jurisdiction over
683.13 health and human services finance and policy.

683.14 Sec. 4. **[62J.0417] PAYMENT MECHANISMS IN RURAL HEALTH CARE.**

683.15 (a) The commissioner shall develop a plan to assess readiness of rural communities and
683.16 rural health care providers to adopt value based, global budgeting or alternative payment
683.17 systems and recommend steps needed to implement them. The commissioner may use the
683.18 development of case studies and modeling of alternate payment systems to demonstrate
683.19 value-based payment systems that ensure a baseline level of essential community or regional
683.20 health services and address population health needs.

683.21 (b) The commissioner shall develop recommendations for pilot projects with the aim of
683.22 ensuring financial viability of rural health care entities in the context of spending growth
683.23 targets. The commissioner shall include the plan, recommendations, and related findings
683.24 in the reports required under section 62J.312, subdivision 3.

683.25 Sec. 5. **[62J.312] CENTER FOR HEALTH CARE AFFORDABILITY.**

683.26 Subdivision 1. **Center establishment; research and analysis.** (a) The commissioner
683.27 shall establish a center for health care affordability within the Minnesota Department of
683.28 Health. The commissioner, through the center, shall carry out the duties assigned under this
683.29 section.

683.30 (b) The commissioner shall conduct research on and analyze the drivers of health care
683.31 spending growth in order to increase transparency and identify strategies that help to reduce
683.32 waste and low-value care; eliminate unproductive administrative spending; enhance the

684.1 provision of effective, high-value care; consider the sustainability of health care spending
684.2 growth and the relationship of health care spending growth to health equity; and identify
684.3 delivery system, payment, and health care market reforms to increase health care
684.4 affordability.

684.5 (c) To perform the duties under paragraph (b), the commissioner shall:

684.6 (1) identify additional data needed from health care entities and the level of granularity
684.7 of required reporting, while limiting additional reporting burdens to the extent possible by
684.8 ensuring effective use of existing data and reporting mechanisms;

684.9 (2) establish the form and manner for data reporting, including but not limited to data
684.10 specifications, methods of reporting, and reporting schedules;

684.11 (3) assist reporting entities in submitting data and information; and

684.12 (4) conduct background research and environmental scans, perform qualitative and
684.13 quantitative analyses, and perform economic modeling.

684.14 Subd. 2. **Public input.** (a) The commissioner shall obtain public feedback on the research
684.15 agenda for the center for health care affordability and on the research activities conducted
684.16 under this section by consulting with health care entities, licensed physicians and other
684.17 health care providers, employers and other purchasers, the commissioners of human services
684.18 and management and budget, patients and patient advocates, individuals with expertise in
684.19 health care spending or health economics, and other stakeholders. The commissioner may
684.20 convene an advisory body or bodies to obtain public feedback.

684.21 (b) The commissioner shall hold public hearings, at least annually, to share initial and
684.22 final analyses conducted under this section, solicit community input on strategies to
684.23 strengthen health care affordability, and hear testimony about experiences and challenges
684.24 related to health care affordability.

684.25 Subd. 3. **Reporting.** The commissioner shall provide periodic reports to the chairs and
684.26 ranking minority members of the legislative committees with jurisdiction over health care
684.27 finance and policy describing the analyses conducted under this section and making
684.28 recommendations for strategies to address unsustainable rates of health care spending growth.

684.29 Subd. 4. **Contracting.** In carrying out the duties required by this section, the
684.30 commissioner may contract with entities with expertise in health economics, health care
684.31 finance, accounting, and actuarial science.

685.1 Subd. 5. Access to information. (a) The commissioner may request that a state agency
685.2 provide data in a usable format as requested by the commissioner at no cost to the
685.3 commissioner.

685.4 (b) The commissioner may also request from a state agency unique or custom data sets.
685.5 That agency may charge the commissioner for providing the data at the same rate the agency
685.6 would charge any other public or private entity.

685.7 (c) Unless specified elsewhere in statute, any information provided to the commissioner
685.8 by a state agency must be de-identified. For purposes of this requirement, "de-identified"
685.9 means that a process was used to prevent the identity of a person from being connected with
685.10 information and to ensure that all identifiable information has been removed.

685.11 (d) Notwithstanding any provisions to the contrary, the commissioner may use data
685.12 collected and maintained under section 62U.04 to carry out the duties required under this
685.13 section.

685.14 (e) Any health care entity subject to reporting under this section that fails to provide
685.15 data in the form and manner prescribed by the commissioner is subject to a fine paid to the
685.16 commissioner of up to \$500 for each day the data are past due. The commissioner may grant
685.17 an extension of the reporting deadlines upon a showing of good cause by the entity. Any
685.18 fine levied against the entity under this subdivision is subject to the contested case and
685.19 judicial review provisions of sections 14.57 and 14.69.

685.20 (f) Any data submitted to the commissioner must retain their original classification under
685.21 the Minnesota Data Practices Act under chapter 13.

685.22 Subd. 6. 340B covered entity report. (a) Beginning April 1, 2024, each 340B covered
685.23 entity, as defined by section 340B(a)(4) of the Public Health Service Act, must report to
685.24 the commissioner of health by April 1 of each year the following information related to its
685.25 participation in the federal 340B program for the previous calendar year:

685.26 (1) the National Provider Identification (NPI) number;

685.27 (2) the name of the 340B covered entity;

685.28 (3) the servicing address of the 340B covered entity;

685.29 (4) the classification of the 340B covered entity;

685.30 (5) the aggregated acquisition cost for prescription drugs obtained under the 340B
685.31 program;

686.1 (6) the aggregated payment amount received for drugs obtained under the 340B program
686.2 and dispensed to patients;

686.3 (7) the aggregated payment made to pharmacies under contract to dispense drugs obtained
686.4 under the 340B program; and

686.5 (8) the number of claims for prescription drugs described in clause (6).

686.6 (b) The information required under paragraph (a) must be reported by payer type,
686.7 including commercial insurance, medical assistance and MinnesotaCare, and Medicare, in
686.8 the form and manner defined by the commissioner. For covered entities that are hospitals,
686.9 the information required under paragraph (a), clauses (5) to (8), must also be reported at
686.10 the national drug code level for the 50 most frequently dispensed drugs by the facility under
686.11 the 340B program.

686.12 (c) Data submitted under paragraph (a) must include prescription drugs dispensed by
686.13 outpatient facilities that are identified as child facilities under the federal 340B program
686.14 based on their inclusion on the hospital's Medicare cost report.

686.15 (d) Data submitted to the commissioner under paragraph (a) must be classified as
686.16 nonpublic data as defined in section 13.02, subdivision 9.

686.17 (e) Beginning November 15, 2024, and by November 15 of each year thereafter, the
686.18 commissioner shall prepare a report that aggregates the data submitted under paragraph (a).
686.19 The commissioner shall submit this report to the chairs and ranking minority members of
686.20 the legislative committees with jurisdiction over health care finance and policy.

686.21 Sec. 6. Minnesota Statutes 2022, section 62K.15, is amended to read:

686.22 **62K.15 ANNUAL OPEN ENROLLMENT PERIODS; SPECIAL ENROLLMENT**
686.23 **PERIODS.**

686.24 (a) Health carriers offering individual health plans must limit annual enrollment in the
686.25 individual market to the annual open enrollment periods for MNsure. Nothing in this section
686.26 limits the application of special or limited open enrollment periods as defined under the
686.27 Affordable Care Act.

686.28 (b) Health carriers offering individual health plans must inform all applicants at the time
686.29 of application and enrollees at least annually of the open and special enrollment periods as
686.30 defined under the Affordable Care Act.

686.31 (c) Health carriers offering individual health plans must provide a special enrollment
686.32 period for enrollment in the individual market by employees of a small employer that offers

687.1 a qualified small employer health reimbursement arrangement in accordance with United
687.2 States Code, title 26, section 9831(d). The special enrollment period ~~shall~~ must be available
687.3 only to employees newly hired by a small employer offering a qualified small employer
687.4 health reimbursement arrangement, and to employees employed by the small employer at
687.5 the time the small employer initially offers a qualified small employer health reimbursement
687.6 arrangement. For employees newly hired by the small employer, the special enrollment
687.7 period shall last for 30 days after the employee's first day of employment. For employees
687.8 employed by the small employer at the time the small employer initially offers a qualified
687.9 small employer health reimbursement arrangement, the special enrollment period shall last
687.10 for 30 days after the date the arrangement is initially offered to employees.

687.11 (d) The commissioner of commerce shall enforce this section.

687.12 (e) Health carriers offering individual health plans through MNsure must provide a
687.13 special enrollment period as required under the easy enrollment health insurance outreach
687.14 program under section 62V.13.

687.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
687.16 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

687.17 Sec. 7. **[62V.13] EASY ENROLLMENT HEALTH INSURANCE OUTREACH**
687.18 **PROGRAM.**

687.19 Subdivision 1. Establishment. The board, in cooperation with the commissioner of
687.20 revenue, must establish the easy enrollment health insurance outreach program to:

687.21 (1) reduce the number of uninsured Minnesotans and increase access to affordable health
687.22 insurance coverage;

687.23 (2) allow the commissioner of revenue to provide return information, at the request of
687.24 the taxpayer, to MNsure to provide the taxpayer with information about the taxpayer's
687.25 potential eligibility for financial assistance and health insurance enrollment options through
687.26 MNsure;

687.27 (3) allow MNsure to estimate taxpayer potential eligibility for financial assistance for
687.28 health insurance coverage; and

687.29 (4) allow MNsure to conduct targeted outreach to assist interested taxpayer households
687.30 in applying for and enrolling in affordable health insurance options through MNsure,
687.31 including connecting interested taxpayer households with a navigator or broker for free
687.32 enrollment assistance.

688.1 Subd. 2. **Screening for eligibility for insurance assistance.** Upon receipt of and based
688.2 on return information received from the commissioner of revenue under section 270B.14,
688.3 subdivision 22, MNsure may make a projected assessment on whether the interested
688.4 taxpayer's household may qualify for a financial assistance program for health insurance
688.5 coverage.

688.6 Subd. 3. **Outreach letter and special enrollment period.** (a) MNsure must provide a
688.7 written letter of the projected assessment under subdivision 2 to a taxpayer who indicates
688.8 to the commissioner of revenue that the taxpayer is interested in obtaining information on
688.9 access to health insurance.

688.10 (b) MNsure must allow a special enrollment period for taxpayers who receive the outreach
688.11 letter in paragraph (a) and are determined eligible to enroll in a qualified health plan through
688.12 MNsure. The triggering event for the special enrollment period is the day the outreach letter
688.13 under this subdivision is mailed to the taxpayer. An eligible individual, and their dependents,
688.14 have 65 days from the triggering event to select a qualifying health plan and coverage for
688.15 the qualifying health plan is effective the first day of the month after plan selection.

688.16 (c) Taxpayers who have a member of the taxpayer's household currently enrolled in a
688.17 qualified health plan through MNsure are not eligible for the special enrollment under
688.18 paragraph (b).

688.19 (d) MNsure must provide information to the general public about the easy enrollment
688.20 health insurance outreach program and the special enrollment period described in this
688.21 subdivision.

688.22 Subd. 4. **Appeals.** (a) Projected eligibility assessments for financial assistance under
688.23 this section are not appealable.

688.24 (b) Qualification for the special enrollment period under this section is appealable to
688.25 MNsure under this chapter and Minnesota Rules, chapter 7700.

688.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
688.27 31, 2023, and applies to health plans offered, issued, or sold on or after January 1, 2024.

688.28 Sec. 8. Minnesota Statutes 2022, section 256.962, subdivision 5, is amended to read:

688.29 Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall establish
688.30 an incentive program for organizations and licensed insurance producers under chapter 60K
688.31 that directly identify and assist potential enrollees in filling out and submitting an application.
688.32 For each applicant who is successfully enrolled in MinnesotaCare or medical assistance,
688.33 the commissioner, within the available appropriation, shall pay the organization or licensed

689.1 insurance producer a ~~\$70~~ \$100 application assistance bonus. The organization or licensed
689.2 insurance producer may provide an applicant a gift certificate or other incentive upon
689.3 enrollment.

689.4 **EFFECTIVE DATE.** This section is effective July 1, 2023.

689.5 Sec. 9. **[256.9631] DIRECT PAYMENT SYSTEM FOR MEDICAL ASSISTANCE**
689.6 **AND MINNESOTACARE.**

689.7 Subdivision 1. **Direction to the commissioner.** (a) The commissioner shall develop an
689.8 implementation plan for a direct payment system to deliver services to eligible individuals
689.9 in order to achieve better health outcomes and reduce the cost of health care for the state.
689.10 Under this system, eligible individuals must receive services through the medical assistance
689.11 fee-for-service system, county-based purchasing plans, or county-owned health maintenance
689.12 organizations. The commissioner shall present an implementation plan for the direct payment
689.13 system to the chairs and ranking minority members of the legislative committees with
689.14 jurisdiction over health care finance and policy by January 15, 2026. The commissioner
689.15 may contract for technical assistance in developing the implementation plan and conducting
689.16 related studies and analyses.

689.17 (b) For the purposes of the direct payment system, the commissioner shall make the
689.18 following assumptions:

689.19 (1) health care providers are reimbursed directly for all medical assistance covered
689.20 services provided to eligible individuals, using the fee-for-service payment methods specified
689.21 in chapters 256, 256B, 256R, and 256S;

689.22 (2) payments to a qualified hospital provider are equivalent to the payments that would
689.23 have been received based on managed care direct payment arrangements. If necessary, a
689.24 qualified hospital provider may use a county-owned health maintenance organization to
689.25 receive direct payments as described in section 256B.1973; and

689.26 (3) county-based purchasing plans and county-owned health maintenance organizations
689.27 must be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692.

689.28 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
689.29 meanings given.

689.30 (b) "Eligible individuals" means qualified medical assistance enrollees, defined as persons
689.31 eligible for medical assistance as families and children and adults without children.

690.1 (c) "Qualified hospital provider" means a nonstate government teaching hospital with
690.2 high medical assistance utilization and a level 1 trauma center, and all of the hospital's
690.3 owned or affiliated health care professionals, ambulance services, sites, and clinics.

690.4 Subd. 3. **Implementation plan.** (a) The implementation plan must include:

690.5 (1) a timeline for the development and recommended implementation date of the direct
690.6 payment system. In recommending a timeline, the commissioner must consider:

690.7 (i) timelines required by the existing contracts with managed care plans and county-based
690.8 purchasing plans to sunset existing delivery models;

690.9 (ii) in counties that choose to operate a county-based purchasing plan under section
690.10 256B.692, timelines for any new procurements required for those counties to establish a
690.11 new county-based purchasing plan or participate in an existing county-based purchasing
690.12 plan;

690.13 (iii) in counties that choose to operate a county-owned health maintenance organization
690.14 under section 256B.69, timelines for any new procurements required for those counties to
690.15 establish a new county-owned health maintenance organization or to continue serving
690.16 enrollees through an existing county-owned health maintenance organization; and

690.17 (iv) a recommendation on whether the commissioner should contract with a third-party
690.18 administrator to administer the direct payment system and the timeline needed for procuring
690.19 an administrator;

690.20 (2) the procedures to be used to ensure continuity of care for enrollees who transition
690.21 from managed care to fee-for-service and any administrative resources needed to carry out
690.22 these procedures;

690.23 (3) recommended quality measures for health care service delivery;

690.24 (4) any changes to fee-for-service payment rates that the commissioner determines are
690.25 necessary to ensure provider access and high-quality care and to reduce health disparities;

690.26 (5) recommendations on ensuring effective care coordination under the direct payment
690.27 system, especially for enrollees who have complex medical conditions, who face
690.28 socioeconomic barriers to receiving care, or who are from underserved populations that
690.29 experience health disparities;

690.30 (6) recommendations on whether the direct payment system should provide supplemental
690.31 payments for care coordination, including:

690.32 (i) the provider types eligible for supplemental payments;

691.1 (ii) procedures to coordinate supplemental payments with existing supplemental or
691.2 cost-based payment methods or to replace these existing methods; and

691.3 (iii) procedures to align care coordination initiatives funded through supplemental
691.4 payments under this section with existing care coordination initiatives;

691.5 (7) recommendations on whether the direct payment system should include funding to
691.6 providers for outreach initiatives to patients who, because of mental illness, homelessness,
691.7 or other circumstances, are unlikely to obtain needed care and treatment;

691.8 (8) recommendations for a supplemental payment to qualified hospital providers to offset
691.9 any potential revenue losses resulting from the shift from managed care payments;

691.10 (9) recommendations on whether and how the direct payment system should be expanded
691.11 to deliver services and care coordination to medical assistance enrollees who are age 65 or
691.12 older, are blind, or have a disability and to persons enrolled in MinnesotaCare; and

691.13 (10) recommendations for statutory changes necessary to implement the direct payment
691.14 system.

691.15 (b) In developing the implementation plan, the commissioner shall:

691.16 (1) calculate the projected cost of a direct payment system relative to the cost of the
691.17 current system;

691.18 (2) assess gaps in care coordination under the current medical assistance and
691.19 MinnesotaCare programs;

691.20 (3) evaluate the effectiveness of approaches other states have taken to coordinate care
691.21 under a fee-for-service system, including the coordination of care provided to persons who
691.22 are blind or have disabilities;

691.23 (4) estimate the loss of revenue and cost savings from other payment enhancements
691.24 based on managed care plan directed payments and pass-throughs;

691.25 (5) estimate cost trends under a direct payment system for managed care payments to
691.26 county-based purchasing plans and county-owned health maintenance organizations;

691.27 (6) estimate the impact of a direct payment system on other revenue, including taxes,
691.28 surcharges, or other federally approved in lieu of services and on other arrangements allowed
691.29 under managed care;

691.30 (7) consider allowing eligible individuals to opt out of managed care as an alternative
691.31 approach;

- 692.1 (8) assess the feasibility of a medical assistance outpatient prescription drug benefit
 692.2 carve-out under section 256B.69, subdivision 6d, and in consultation with the commissioners
 692.3 of commerce and health, assess the feasibility of including MinnesotaCare enrollees and
 692.4 private sector enrollees of health plan companies in the drug benefit carve-out. The
 692.5 assessment of feasibility must address and include recommendations related to the process
 692.6 and terms by which the commissioner would contract with health plan companies to
 692.7 administer prescription drug benefits and develop and manage a drug formulary, and the
 692.8 impact of the drug-benefit carve-out on health care providers, including small pharmacies;
- 692.9 (9) consult with the commissioners of health and commerce and the contractor or
 692.10 contractors analyzing the Minnesota Health Plan under section 19 and other health reform
 692.11 models on plan design and assumptions; and
- 692.12 (10) conduct other analyses necessary to develop the implementation plan.

692.13 Sec. 10. Minnesota Statutes 2022, section 256B.04, is amended by adding a subdivision
 692.14 to read:

692.15 Subd. 26. **Disenrollment under medical assistance and MinnesotaCare.** (a) The
 692.16 commissioner shall regularly update mailing addresses and other contact information for
 692.17 medical assistance and MinnesotaCare enrollees in cases of returned mail and nonresponse
 692.18 using information available through managed care and county-based purchasing plans, state
 692.19 health and human services programs, and other sources.

692.20 (b) The commissioner shall not disenroll an individual from medical assistance or
 692.21 MinnesotaCare in cases of returned mail until the commissioner makes at least two attempts
 692.22 by phone, email, or other methods to contact the individual. The commissioner may disenroll
 692.23 the individual after providing no less than 30 days for the individual to respond to the most
 692.24 recent contact attempt.

692.25 Sec. 11. Minnesota Statutes 2022, section 256B.056, subdivision 7, is amended to read:

692.26 Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application
 692.27 and for three months prior to application if the person was eligible in those prior months.
 692.28 A redetermination of eligibility must occur every 12 months.

692.29 (b) Notwithstanding any other law to the contrary:

692.30 (1) a child under 19 years of age who is determined eligible for medical assistance must
 692.31 remain eligible for a period of 12 months;

693.1 (2) a child 19 years of age and older but under 21 years of age who is determined eligible
 693.2 for medical assistance must remain eligible for a period of 12 months; and

693.3 (3) a child under six years of age who is determined eligible for medical assistance must
 693.4 remain eligible through the month in which the child reaches six years of age.

693.5 (c) A child's eligibility under paragraph (b) may be terminated earlier if:

693.6 (1) the child or the child's representative requests voluntary termination of eligibility;

693.7 (2) the child ceases to be a resident of this state;

693.8 (3) the child dies;

693.9 (4) the child attains the maximum age; or

693.10 (5) the agency determines eligibility was erroneously granted at the most recent eligibility
 693.11 determination due to agency error or fraud, abuse, or perjury attributed to the child or the
 693.12 child's representative.

693.13 ~~(b)~~ (d) For a person eligible for an insurance affordability program as defined in section
 693.14 256B.02, subdivision 19, who reports a change that makes the person eligible for medical
 693.15 assistance, eligibility is available for the month the change was reported and for three months
 693.16 prior to the month the change was reported, if the person was eligible in those prior months.

693.17 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
 693.18 whichever is later, except that paragraph (b), clause (1), is effective January 1, 2024, or
 693.19 upon federal approval and the implementation of required administrative and systems
 693.20 changes, whichever is later. The commissioner of human services shall notify the revisor
 693.21 of statutes when federal approval is obtained and the required administrative and systems
 693.22 changes are implemented.

693.23 Sec. 12. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

693.24 Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical
 693.25 assistance benefit plan shall include the following cost-sharing for all recipients, effective
 693.26 for services provided ~~on or after~~ from September 1, 2011, to December 31, 2023:

693.27 (1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this
 693.28 subdivision, a visit means an episode of service which is required because of a recipient's
 693.29 symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting
 693.30 by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced
 693.31 practice nurse, audiologist, optician, or optometrist;

694.1 (2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this
694.2 co-payment shall be increased to \$20 upon federal approval;

694.3 (3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per
694.4 prescription for a brand-name multisource drug listed in preferred status on the preferred
694.5 drug list, subject to a \$12 per month maximum for prescription drug co-payments. No
694.6 co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

694.7 (4) a family deductible equal to \$2.75 per month per family and adjusted annually by
694.8 the percentage increase in the medical care component of the CPI-U for the period of
694.9 September to September of the preceding calendar year, rounded to the next higher five-cent
694.10 increment; and

694.11 (5) total monthly cost-sharing must not exceed five percent of family income. For
694.12 purposes of this paragraph, family income is the total earned and unearned income of the
694.13 individual and the individual's spouse, if the spouse is enrolled in medical assistance and
694.14 also subject to the five percent limit on cost-sharing. This paragraph does not apply to
694.15 premiums charged to individuals described under section 256B.057, subdivision 9.

694.16 (b) Recipients of medical assistance are responsible for all co-payments and deductibles
694.17 in this subdivision.

694.18 (c) Notwithstanding paragraph (b), the commissioner, through the contracting process
694.19 under sections 256B.69 and 256B.692, may allow managed care plans and county-based
694.20 purchasing plans to waive the family deductible under paragraph (a), clause (4). The value
694.21 of the family deductible shall not be included in the capitation payment to managed care
694.22 plans and county-based purchasing plans. Managed care plans and county-based purchasing
694.23 plans shall certify annually to the commissioner the dollar value of the family deductible.

694.24 (d) Notwithstanding paragraph (b), the commissioner may waive the collection of the
694.25 family deductible described under paragraph (a), clause (4), from individuals and allow
694.26 long-term care and waived service providers to assume responsibility for payment.

694.27 (e) Notwithstanding paragraph (b), the commissioner, through the contracting process
694.28 under section 256B.0756 shall allow the pilot program in Hennepin County to waive
694.29 co-payments. The value of the co-payments shall not be included in the capitation payment
694.30 amount to the integrated health care delivery networks under the pilot program.

695.1 Sec. 13. Minnesota Statutes 2022, section 256B.0631, is amended by adding a subdivision
695.2 to read:

695.3 Subd. 1a. **Prohibition on cost-sharing and deductibles.** Effective January 1, 2024, the
695.4 medical assistance benefit plan must not include cost-sharing or deductibles for any medical
695.5 assistance recipient or benefit.

695.6 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all medical
695.7 assistance benefit plans offered, issued, or renewed on or after that date.

695.8 Sec. 14. Minnesota Statutes 2022, section 256B.0631, subdivision 3, is amended to read:

695.9 Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be
695.10 reduced by the amount of the co-payment or deductible, except that reimbursements shall
695.11 not be reduced:

695.12 (1) once a recipient has reached the \$12 per month maximum for prescription drug
695.13 co-payments; or

695.14 (2) for a recipient who has met their monthly five percent cost-sharing limit.

695.15 (b) The provider collects the co-payment or deductible from the recipient. Providers
695.16 may not deny services to recipients who are unable to pay the co-payment or deductible.

695.17 ~~(e) Medical assistance reimbursement to fee-for-service providers and payments to~~
695.18 ~~managed care plans shall not be increased as a result of the removal of co-payments or~~
695.19 ~~deductibles effective on or after January 1, 2009.~~

695.20 **EFFECTIVE DATE.** This section is effective January 1, 2024.

695.21 Sec. 15. Minnesota Statutes 2022, section 256L.04, subdivision 10, is amended to read:

695.22 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~limited~~
695.23 available to citizens or nationals of the United States ~~and~~; lawfully present noncitizens as
695.24 defined in Code of Federal Regulations, title 8, section 103.12.; and undocumented
695.25 noncitizens ~~are ineligible for MinnesotaCare~~. For purposes of this subdivision, an
695.26 undocumented noncitizen is an individual who resides in the United States without the
695.27 approval or acquiescence of the United States Citizenship and Immigration Services. Families
695.28 with children who are citizens or nationals of the United States must cooperate in obtaining
695.29 satisfactory documentary evidence of citizenship or nationality according to the requirements
695.30 of the federal Deficit Reduction Act of 2005, Public Law 109-171.

696.1 (b) Notwithstanding subdivisions 1 and 7, eligible persons include families and
696.2 individuals who are ~~lawfully present and~~ ineligible for medical assistance by reason of
696.3 immigration status and who have incomes equal to or less than 200 percent of federal poverty
696.4 guidelines, except that these persons may be eligible for emergency medical assistance
696.5 under section 256B.06, subdivision 4.

696.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.

696.7 Sec. 16. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision
696.8 to read:

696.9 **Subd. 22. Disclosure to MNsure board.** The commissioner may disclose a return or
696.10 return information to the MNsure board if a taxpayer makes the designation under section
696.11 290.433 on an income tax return filed with the commissioner. The commissioner must only
696.12 disclose data necessary to provide the taxpayer with information about the potential eligibility
696.13 for financial assistance and health insurance enrollment options under section 62V.13.

696.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

696.15 Sec. 17. **[290.433] EASY ENROLLMENT HEALTH INSURANCE OUTREACH**
696.16 **PROGRAM CHECKOFF.**

696.17 **Subdivision 1. Taxpayer designation.** Any individual who files an income tax return
696.18 may designate on their original return a request that the commissioner provide their return
696.19 information to the MNsure board for purposes of providing the individual with information
696.20 about potential eligibility for financial assistance and health insurance enrollment options
696.21 under section 62V.13, to the extent necessary to administer the easy enrollment health
696.22 insurance outreach program.

696.23 **Subd. 2. Form.** The commissioner shall notify filers of their ability to make the
696.24 designation in subdivision 1 on their income tax return.

696.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
696.26 31, 2023.

696.27 Sec. 18. **DIRECTION TO MNSURE BOARD AND COMMISSIONER.**

696.28 The MNsure board and the commissioner of the Department of Revenue must develop
696.29 and implement systems, policies, and procedures that encourage, facilitate, and streamline
696.30 data sharing, projected eligibility assessments, and notice to taxpayers to achieve the purpose

697.1 of the easy enrollment health insurance outreach program under Minnesota Statutes, section
697.2 62V.13, for operation beginning with tax year 2024.

697.3 Sec. 19. ANALYSIS OF BENEFITS AND COSTS OF A UNIVERSAL HEALTH
697.4 CARE FINANCING SYSTEM.

697.5 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
697.6 the meanings given.

697.7 (b) "Total public and private health care spending" means:

697.8 (1) spending on all medical care, including but not limited to dental, vision and hearing,
697.9 mental health, substance use disorder treatment, prescription drugs, medical equipment and
697.10 supplies, long-term care, and home care, whether paid through premiums, co-payments and
697.11 deductibles, other out-of-pocket payments, or funding from the government, employers, or
697.12 other sources; and

697.13 (2) the costs of administering, delivering, and paying for medical care, including but not
697.14 limited to all expenses incurred by insurers, providers, employers, individuals, and the
697.15 government to select, negotiate, purchase, administer, and provide coverage for health care,
697.16 dental care, long-term care, prescription drugs, the medical expense portions of workers
697.17 compensation and automobile insurance, and the cost of administering and paying for all
697.18 health care products and services that are not covered by insurance.

697.19 (c) "All necessary care" means the full range of services listed in the proposed Minnesota
697.20 Health Plan legislation for a universal health care financing system specified in subdivision
697.21 5, including medical, dental, vision and hearing, mental health, substance use disorder
697.22 treatment, reproductive and sexual health, prescription drugs, medical equipment and
697.23 supplies, long-term care, home care, and the coordination of care.

697.24 Subd. 2. Initial assumptions. (a) When calculating administrative savings under the
697.25 universal health care financing proposal, the analysts shall recognize that simple, direct
697.26 payment of medical services avoids the need for provider networks, eliminates prior
697.27 authorization requirements, and eliminates administrative complexity of other payment
697.28 schemes, along with the need for creating risk adjustment mechanisms and measuring,
697.29 tracking, and paying entities according to risk-adjusted or nonrisk-adjusted payment schemes.

697.30 (b) The analysts shall assume that, while gross provider payments may be reduced to
697.31 reflect reduced administrative costs, net provider income would remain similar to the current
697.32 system. The analysts shall not assume that payment rate negotiations will track current
697.33 Medicaid, Medicare, or market payment rates or a combination of those rates, because

698.1 provider compensation, after adjusting for reduced administrative costs, would not be
698.2 universally raised or lowered but would be negotiated based on market needs, so provider
698.3 compensation might be raised in an underserved area such as mental health but lowered in
698.4 other areas.

698.5 Subd. 3. **Contract for analysis of proposal.** (a) The commissioner of health shall
698.6 contract with one or more independent entities to conduct an analysis of the benefits and
698.7 costs of a legislative proposal for a universal health care financing system and a similar
698.8 analysis of the current health care financing system to assist the state in comparing the
698.9 proposal to the current system. The contract must be designed to produce estimates for all
698.10 elements in subdivision 6.

698.11 (b) The commissioner shall issue a request for information. Based on responses to the
698.12 request for information, the commissioner shall issue a request for proposals that specifies
698.13 requirements for the design, analysis, and deliverables, and shall select one or more
698.14 contractors based on responses to the request for proposals. The commissioner shall consult
698.15 with the chief authors of this section in implementing this paragraph.

698.16 (c) The commissioner is exempt from the requirements of Minnesota Statutes, chapters
698.17 16A and 16C, when entering into a new contract or amending an existing contract to complete
698.18 the necessary analysis required under this section.

698.19 Subd. 4. **Access to information.** (a) The commissioner may request that a state agency
698.20 provide the commissioner and contractor with data as defined in Minnesota Statutes, sections
698.21 62J.04 and 295.52, in a usable format as requested by the commissioner at no cost to the
698.22 commissioner.

698.23 (b) The commissioner may request from a state agency unique or custom data sets. The
698.24 agency may charge the commissioner for providing these data sets at the same rate the
698.25 agency would charge any other public or private entity.

698.26 (c) Any data submitted to the commissioner shall retain their original classification under
698.27 the Minnesota Data Practices Act in Minnesota Statutes, chapter 13.

698.28 (d) The commissioner, under the authority of Minnesota Statutes, chapter 62J, may
698.29 collect data necessary for the performance of assigned duties and shall collect this data in
698.30 a form and manner that ensures the collection of high-quality, transparent data.

698.31 (e) The commissioner of human services shall make available to the vendor selected
698.32 under subdivision 3 any relevant findings from:

699.1 (1) any actuarial and economic analysis for a MinnesotaCare public option
699.2 implementation plan and waiver; and

699.3 (2) any analysis of a direct payment system.

699.4 Subd. 5. **Proposal.** The commissioner of health, in consultation with the commissioners
699.5 of human services and commerce, shall submit to the contractor for analysis the legislative
699.6 proposal known as the Minnesota Health Plan, proposed in the 93rd Minnesota Legislature
699.7 as Senate File No. 2740/House File No. 2798, that would establish a universal health care
699.8 financing system designed to:

699.9 (1) ensure all Minnesotans have health care coverage;

699.10 (2) cover all necessary care; and

699.11 (3) allow patients to choose their doctors, hospitals, and other providers.

699.12 Subd. 6. **Proposal analysis.** (a) The analysis must measure the performance of both the
699.13 proposed Minnesota Health Plan and the current public and private health care financing
699.14 system over a ten-year period to contrast the impact of these approaches on:

699.15 (1) coverage: the number of people who are uninsured versus the number of people who
699.16 are insured;

699.17 (2) benefit completeness: adequacy of coverage measured by the completeness of the
699.18 coverage and the number of people lacking coverage for key necessary care elements such
699.19 as dental services, long-term care, medical equipment or supplies, vision and hearing, and
699.20 other health services. The analysis must take into account the variety of benefit designs in
699.21 the commercial market and report the extent of coverage in each market segment;

699.22 (3) underinsurance: whether people with coverage can afford the care they need or
699.23 whether cost prevents them from accessing care. This includes affordability in terms of
699.24 premiums, deductibles, and out-of-pocket expenses;

699.25 (4) system capacity: the timeliness and appropriateness of the care received and whether
699.26 people turn to inappropriate care such as emergency rooms because of a lack of proper care
699.27 in accordance with clinical guidelines; and

699.28 (5) health care spending: total public and private health care spending in Minnesota
699.29 under the current system versus under the Minnesota Health Plan legislative proposal,
699.30 including all spending by individuals, businesses, and government. Where relevant, the
699.31 analysis must be broken out by key necessary care areas, such as medical, dental, and mental
699.32 health. The analysis of total health care spending must examine whether there are savings

700.1 or additional costs under the universal health care financing system established by the
700.2 legislative proposal compared to the existing system due to:

700.3 (i) changes in the cost of insurance, billing, underwriting, marketing, evaluation, and
700.4 other administrative functions for all entities involved in the health care system, including
700.5 savings from global budgeting for hospitals and institutional care, instead of billing for
700.6 individual services provided;

700.7 (ii) changes in prices for medical services and products, including pharmaceuticals, due
700.8 to price negotiations under the proposal;

700.9 (iii) the impact on utilization, health outcomes, and workplace absenteeism due to
700.10 prevention, early intervention, and health-promoting activities;

700.11 (iv) shortages or excess capacity of medical facilities, equipment, and personnel, including
700.12 caregivers and staff, under either the current system or the proposal, including the rate of
700.13 inappropriate emergency room usage. The analysis must break down capacity by geographic
700.14 differences such as rural versus metropolitan, and disparate access by population group;

700.15 (v) the impact on state, local, and federal government non-health-care expenditures.
700.16 This may include factors such as reduced crime and out-of-home placement costs due to
700.17 the availability of mental health or substance use disorder coverage and other factors
700.18 identified by additional analyses;

700.19 (vi) job losses or gains within the health care system, related to any changes in health
700.20 care delivery, health billing, and insurance administration;

700.21 (vii) job losses or gains elsewhere in the economy under the proposal due to any reduction
700.22 in insurance and administrative burdens on businesses;

700.23 (viii) impact on disparities in health care access and outcomes; and

700.24 (ix) care coordination and case management, including care management conducted by
700.25 health plan companies, to assess the costs of coordinating and navigating care for enrollees.

700.26 (b) The commissioner may provide interim reports and status updates, and shall issue a
700.27 final report by January 15, 2026, to the governor and the chairs and ranking minority
700.28 members of the legislative committees with jurisdiction over health care finance and policy.
700.29 The findings and recommendations of the report must address the feasibility and affordability
700.30 of the proposal and the projected impact of the proposal on the variables listed in paragraph

700.31 (a). The report must also include:

700.32 (1) clear documentation of the technical assumptions made to conduct the analysis;

701.1 (2) a comprehensive description of the methodological approach used;

701.2 (3) the sensitivity of results to variations in the assumptions; and

701.3 (4) the data sources and the robustness of the information used.

701.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

701.5 Sec. 20. **ACTUARIAL AND ECONOMIC ANALYSES FOR PUBLIC OPTION**

701.6 **IMPLEMENTATION PLAN AND WAIVER.**

701.7 **Subdivision 1. Contracting requirement; consultation.** (a) The commissioner of human
 701.8 services must contract with one or more independent third-party actuarial firms, which may
 701.9 include the actuarial firm that develops and certifies current MinnesotaCare rates, to perform
 701.10 and certify actuarial and economic analyses of different public option models that meet the
 701.11 requirements of this section.

701.12 (b) The commissioner of human services, in implementing this section, shall consult
 701.13 with the commissioners of commerce and health and the Board of Directors of MNsure.

701.14 **Subd. 2. Content of analyses; state-specific impacts.** The actuarial and economic
 701.15 analyses of public option models must include conclusions, data, and assumptions related
 701.16 to:

701.17 (1) estimated 1332 waiver pass-through funding Minnesota will receive each year for
 701.18 the first five years after the implementation of the public option;

701.19 (2) changes to existing federal funding and federal financing options from all sources
 701.20 other than a 1332 waiver pass-through;

701.21 (3) impact on the state budget, including but not limited to any state subsidy of the public
 701.22 option;

701.23 (4) impacts on enrollment, stratification of enrollee risk across plans, premiums,
 701.24 cost-sharing, other enrollee costs, variety and volume of enrollee plan options, provider
 701.25 network adequacy, provider reimbursement rates, and other material considerations in
 701.26 medical assistance and MinnesotaCare, on an aggregated and disaggregated basis for
 701.27 populations, including but not limited to populations defined by race, ethnicity, and
 701.28 geography, as requested by the commissioner of human services;

701.29 (5) projected impacts on the individual health insurance market, including impacts on
 701.30 enrollment, stratification of enrollee risk across plans, premiums, cost-sharing, other insured
 701.31 costs, variety and volume of insured plan options, provider network adequacy, provider
 701.32 reimbursement rates, and other material considerations, on an aggregated and disaggregated

702.1 basis for populations, including populations defined by race, ethnicity, and geography, as
702.2 requested by the commissioner of human services; and

702.3 (6) projected impact of changes to the risk rating of the current MinnesotaCare population,
702.4 the expected public option population, and the current individual health insurance market.

702.5 Subd. 3. **Content of analyses; health and affordability.** The actuarial and economic
702.6 analyses must include:

702.7 (1) the estimated affordability of premiums and cost-sharing for consumers and the
702.8 extent to which the model meets the affordability threshold in United States Code, title 26,
702.9 section 36B(b)(3)(A)(i), as indexed according to item (ii) of that section. For purposes of
702.10 this clause, "affordability" for consumers means:

702.11 (i) using a household budget approach that considers the total costs paid by consumers
702.12 for health care coverage, including the enrollee share of premiums and enrollee out-of-pocket
702.13 costs, including deductibles, co-payments, coinsurance, and other forms of cost-sharing;

702.14 (ii) minimizing premium affordability cliffs; and

702.15 (iii) considering affordability by age and geographic location; and

702.16 (2) the estimated impact on racial and ethnic disparities in rates of insurance and access
702.17 to health care services.

702.18 Subd. 4. **Content of analyses; MinnesotaCare public option.** The actuarial and
702.19 economic analyses must include conclusions, data, and assumptions sufficient for the
702.20 commissioners of commerce, human services, and health; the Board of Directors of MNsure;
702.21 and the legislature to evaluate different public option models, including a MinnesotaCare
702.22 public option under which MinnesotaCare continues to be administered as a basic health
702.23 program in accordance with Minnesota Statutes, section 256L.02, subdivision 5. The actuarial
702.24 and economic analyses must meet the requirements of this section.

702.25 Subd. 5. **Content of analyses; 1332 waiver requirements.** The actuarial and economic
702.26 analyses must include data and analyses sufficient for the commissioners of commerce,
702.27 human services, and health; the Board of Directors of MNsure; and the legislature to design
702.28 and evaluate different public option models, including but not limited to a MinnesotaCare
702.29 public option, that would receive approval under a 1332 waiver from the United States
702.30 Department of Health and Human Services and United States Department of Treasury,
702.31 including but not limited to data necessary for the actuarial firm or another independent
702.32 third-party firm to complete:

703.1 (1) actuarial analyses and actuarial certifications required to support an estimate by the
703.2 state that a proposed waiver will comply with the comprehensive coverage requirement,
703.3 the affordability requirement, and the scope of coverage requirement as described in Code
703.4 of Federal Regulations, title 45, section 155.1308; and

703.5 (2) economic analyses required to support an estimate by the state that a proposed waiver
703.6 will comply with the comprehensive coverage requirement, the affordability requirement,
703.7 the scope of coverage requirement, and the federal deficit requirement as described in Code
703.8 of Federal Regulations, title 45, section 155.1308.

703.9 Subd. 6. **Content of analyses; commissioner discretion.** The actuarial and economic
703.10 analyses must include all other data, information, or analyses related to a public option or
703.11 1332 waiver requested by the commissioner of human services, including potential
703.12 modifications to a MinnesotaCare public option or other public option models that may
703.13 improve one or more outcomes listed in subdivision 2 or 3.

703.14 Subd. 7. **Contract exemption.** The commissioner of human services is exempt from
703.15 the requirements of Minnesota Statutes, chapters 16A and 16C, when entering into a new
703.16 contract or amending an existing contract to complete the actuarial and economic analyses
703.17 required under this section.

703.18 Subd. 8. **Consultation with governmental entities.** The commissioners of human
703.19 services and commerce may consult with any federal or state governmental entity as
703.20 necessary to complete the actuarial and economic analyses under this section or provide a
703.21 final recommendation and implementation plan to the legislature under section 21.

703.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

703.23 Sec. 21. **REPORT TO LEGISLATURE ON IMPLEMENTATION PLAN AND**
703.24 **WAIVER FOR PUBLIC OPTION.**

703.25 By February 1, 2024, the commissioner of commerce, in consultation with the
703.26 commissioners of human services and health and the Board of Directors of MNsure, must
703.27 report the following to the chairs and ranking minority members of the legislative committees
703.28 with primary jurisdiction over health care finance and policy and health insurance:

703.29 (1) the results of the actuarial and economic analyses performed under section 20;

703.30 (2) the extent to which each public option model maximizes federal funding;

703.31 (3) additional information that the commissioner determines to be necessary to design
703.32 a public option, receive approval for a 1332 waiver from the United States Department of

704.1 Health and Human Services and United States Department of Treasury, and implement the
704.2 plan upon approval of a 1332 waiver application;

704.3 (4) the commissioner of commerce's final recommendation for a public option. The
704.4 recommendation must include a detailed description of:

704.5 (i) the health care benefit set to be provided to enrollees;

704.6 (ii) premiums and cost-sharing for enrollees across the income range, including any age
704.7 or geographic rating, after state or federal subsidies;

704.8 (iii) potential modifications to the public option that might improve one or more of the
704.9 outcomes listed in section 20, subdivision 2 or 3;

704.10 (iv) plan issuers, which may include a health plan company, governmental entity, or
704.11 other entity;

704.12 (v) plan administrators;

704.13 (vi) health care provider reimbursement rates and the availability of providers and health
704.14 care services;

704.15 (vii) adequacy of the expected provider network;

704.16 (viii) a determination of the public option's compliance with the requirements to receive
704.17 a 1332 waiver, including detailed descriptions of compliance with the requirements described
704.18 in Code of Federal Regulations, titles 45, section 155.1308, and 31, section 33.108; and

704.19 (ix) the information described in section 20, subdivision 2, as specifically determined
704.20 by using assumptions and parameters based on implementation of the final recommendation
704.21 as the public option health benefit plan; and

704.22 (5) the commissioner's final implementation plan. The implementation plan must include
704.23 a detailed description of:

704.24 (i) additional actuarial and economic analyses necessary to receive a 1332 waiver;

704.25 (ii) the 1332 waiver process and requirements;

704.26 (iii) a detailed draft timeline for the state's implementation of the proposed waiver as
704.27 described in Code of Federal Regulations, title 45, section 155.1308;

704.28 (iv) costs to the state to implement the plan, including a detailed ten-year budget plan
704.29 that is deficit neutral to the federal government as described in Code of Federal Regulations,
704.30 title 45, section 155.1308; and

705.1 (v) proposed legislation the commissioner anticipates will be necessary to implement
 705.2 the public option by January 1, 2027.

705.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

705.4 Sec. 22. **WAIVER SUBMITTAL.**

705.5 (a) The commissioner of commerce is authorized to perform the steps necessary to
 705.6 submit a 1332 waiver application, including but not limited to submitting the waiver
 705.7 application and all other steps necessary to complete the waiver application process, based
 705.8 on the final recommendation of the commissioner of commerce under section 21 if the
 705.9 legislature does not enact a law by June 1, 2024, modifying the:

705.10 (1) recommendation under section 21; or

705.11 (2) commissioner of commerce's authority under this section.

705.12 (b) Upon receipt of a federal waiver and the enactment of any necessary legislation, the
 705.13 commissioner of commerce shall implement a public option to be made available to
 705.14 consumers beginning January 1, 2027.

705.15 (c) In implementing this section, the commissioner of commerce shall consult with the
 705.16 commissioners of human services and health and the Board of Directors of MNsure.

705.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

705.18 Sec. 23. **REPEALER.**

705.19 Minnesota Statutes 2022, section 256B.0631, subdivisions 1, 2, and 3, are repealed.

705.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

705.21

ARTICLE 17

705.22

HUMAN SERVICES POLICY

705.23 Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

705.24 Subd. 4a. **Background study required.** (a) The board must initiate background studies
 705.25 under section 245C.031 of:

705.26 (1) each navigator;

705.27 (2) each in-person assister; and

705.28 (3) each certified application counselor.

706.1 (b) The board may initiate the background studies required by paragraph (a) using the
706.2 online NETStudy 2.0 system operated by the commissioner of human services.

706.3 (c) The board shall not permit any individual to provide any service or function listed
706.4 in paragraph (a) until ~~the board has received notification from the commissioner of human~~
706.5 ~~services indicating that the individual:~~

706.6 (1) the board has evaluated any notification received from the commissioner of human
706.7 services indicating the individual's potential disqualifications and has determined that the
706.8 individual is not disqualified under chapter 245C; or

706.9 (2) the board has determined that the individual is disqualified; but has received granted
706.10 a set aside from the board of that disqualification according to sections 245C.22 and 245C.23.

706.11 (d) The board or its delegate shall review a reconsideration request of an individual in
706.12 paragraph (a), including granting a set aside, according to the procedures and criteria in
706.13 chapter 245C. The board shall notify the individual and the Department of Human Services
706.14 of the board's decision.

706.15 Sec. 2. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

706.16 Subd. 8. **Background studies.** (a) The Professional Educator Licensing and Standards
706.17 Board and the Board of School Administrators must initiate criminal history background
706.18 studies of all first-time applicants for educator and administrator licenses under their
706.19 jurisdiction. Applicants must include with their licensure applications:

706.20 (1) an executed criminal history consent form, including fingerprints; and

706.21 (2) payment to conduct the background study. The Professional Educator Licensing and
706.22 Standards Board must deposit payments received under this subdivision in an account in
706.23 the special revenue fund. Amounts in the account are annually appropriated to the
706.24 Professional Educator Licensing and Standards Board to pay for the costs of background
706.25 studies on applicants for licensure.

706.26 (b) The background study for all first-time ~~teaching~~ applicants for educator licenses
706.27 must include a review of information from the Bureau of Criminal Apprehension, including
706.28 criminal history data as defined in section 13.87, and must also include a review of the
706.29 national criminal records repository. The superintendent of the Bureau of Criminal
706.30 Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation
706.31 for purposes of the criminal history check.

707.1 (c) The Professional Educator Licensing and Standards Board may initiate criminal
707.2 history background studies through the commissioner of human services according to section
707.3 245C.031 to obtain background study data required under this chapter.

707.4 Sec. 3. Minnesota Statutes 2022, section 245.4661, subdivision 9, is amended to read:

707.5 Subd. 9. **Services and programs.** (a) The following three distinct grant programs are
707.6 funded under this section:

707.7 (1) mental health crisis services;

707.8 (2) housing with supports for adults with serious mental illness; and

707.9 (3) projects for assistance in transitioning from homelessness (PATH program).

707.10 (b) In addition, the following are eligible for grant funds:

707.11 (1) community education and prevention;

707.12 (2) client outreach;

707.13 (3) early identification and intervention;

707.14 (4) adult outpatient diagnostic assessment and psychological testing;

707.15 (5) peer support services;

707.16 (6) community support program services (CSP);

707.17 (7) adult residential crisis stabilization;

707.18 (8) supported employment;

707.19 (9) assertive community treatment (ACT);

707.20 (10) housing subsidies;

707.21 (11) basic living, social skills, and community intervention;

707.22 (12) emergency response services;

707.23 (13) adult outpatient psychotherapy;

707.24 (14) adult outpatient medication management;

707.25 (15) adult mobile crisis services;

707.26 (16) adult day treatment;

707.27 (17) partial hospitalization;

707.28 (18) adult residential treatment;

708.1 (19) adult mental health targeted case management; and
708.2 ~~(20) intensive community rehabilitative services (ICRS); and~~
708.3 ~~(21)~~ (20) transportation.

708.4 Sec. 4. Minnesota Statutes 2022, section 245.469, subdivision 3, is amended to read:

708.5 Subd. 3. **Mental health crisis services.** The commissioner of human services shall
708.6 increase access to mental health crisis services for children and adults. In order to increase
708.7 access, the commissioner must:

708.8 (1) develop a central phone number where calls can be routed to the appropriate crisis
708.9 services;

708.10 (2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving
708.11 people with traumatic brain injury or intellectual disabilities who are experiencing a mental
708.12 health crisis;

708.13 (3) expand crisis services across the state, including rural areas of the state and examining
708.14 access per population;

708.15 (4) establish and implement state standards and requirements for crisis services as outlined
708.16 in section 256B.0624; and

708.17 (5) provide grants to adult mental health initiatives, counties, tribes, or community mental
708.18 health providers to establish new mental health crisis residential service capacity.

708.19 Priority will be given to regions that do not have a mental health crisis residential services
708.20 program, do not have an inpatient psychiatric unit within the region, do not have an inpatient
708.21 psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis
708.22 residential or intensive residential treatment beds available to meet the needs of the residents
708.23 in the region. At least 50 percent of the funds must be distributed to programs in rural
708.24 Minnesota. Grant funds may be used for start-up costs, including but not limited to
708.25 renovations, furnishings, and staff training. Grant applications shall provide details on how
708.26 the intended service will address identified needs and shall demonstrate collaboration with
708.27 crisis teams, other mental health providers, hospitals, and police.

708.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

709.1 Sec. 5. **[245.4906] MENTAL HEALTH CERTIFIED PEER SPECIALIST GRANT**
709.2 **PROGRAM.**

709.3 Subdivision 1. **Establishment.** The commissioner of human services must establish a
709.4 mental health certified peer specialist grant program to provide funding for the training of
709.5 mental health certified peer specialists who provide services to support individuals with
709.6 lived experience of mental illness under section 256B.0615.

709.7 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider who
709.8 employs a mental health certified peer specialist qualified under section 245I.04, subdivision
709.9 10, and who provides services to individuals receiving assertive community treatment or
709.10 intensive residential treatment services under section 256B.0622, adult rehabilitative mental
709.11 health services under section 256B.0623, or crisis response services under section 256B.0624.

709.12 Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training
709.13 for mental health certified peer specialists as specified in section 256B.0615, subdivision
709.14 5.

709.15 Subd. 4. **Outcomes.** (a) Grantees must provide an annual report to the commissioner
709.16 for the purposes of evaluating the effectiveness of the grant program. The report must
709.17 include:

709.18 (1) the number of mental health certified peer specialists who received training using
709.19 the grant funds under this section; and

709.20 (2) the extent to which individuals receiving peer services experienced progress on
709.21 achieving treatment goals and experienced a reduction in hospital admissions.

709.22 (b) The commissioner must submit the results of the evaluation to the chairs and ranking
709.23 minority members of the legislative committees with jurisdiction over mental health.

709.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

709.25 Sec. 6. **[245.4907] MENTAL HEALTH CERTIFIED FAMILY PEER SPECIALIST**
709.26 **GRANT PROGRAM.**

709.27 Subdivision 1. **Establishment.** The commissioner of human services must establish a
709.28 mental health certified peer family specialist grant program to provide funding for training
709.29 for mental health certified peer family specialists who provide services to support individuals
709.30 with lived experience of mental illness under section 256B.0616.

710.1 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider who
710.2 employs a mental health certified peer family specialist qualified under section 245I.04,
710.3 subdivision 12, and who provides services to families who have a child:

710.4 (1) with an emotional disturbance or severe emotional disturbance under chapter 245;

710.5 (2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

710.6 (3) admitted to a residential treatment facility under section 245.4882;

710.7 (4) receiving children's intensive behavioral health services under section 256B.0946;

710.8 (5) receiving day treatment or children's therapeutic services and supports under section
710.9 256B.0943; or

710.10 (6) receiving crisis response services under section 256B.0624.

710.11 Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training
710.12 for mental health certified family peer specialists as specified in section 256B.0616,
710.13 subdivision 5.

710.14 Subd. 4. **Outcomes.** (a) Grantees must provide an annual report to the commissioner
710.15 for the purposes of evaluating the effectiveness of the grant program. The report must
710.16 include:

710.17 (1) the number of mental health certified peer specialists who received training using
710.18 the grant funds under this section; and

710.19 (2) the extent to which individuals receiving family peer services experienced progress
710.20 on achieving treatment goals and experienced a reduction in hospital admissions.

710.21 (b) The commissioner must submit the results of the evaluation to the chairs and ranking
710.22 minority members of the legislative committees with jurisdiction over mental health.

710.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

710.24 Sec. 7. **[245.991] PROJECTS FOR ASSISTANCE IN TRANSITION FROM**
710.25 **HOMELESSNESS PROGRAM.**

710.26 Subdivision 1. **Establishment.** The commissioner of human services must establish
710.27 projects for assistance in transition from homelessness program to prevent or end
710.28 homelessness for people with serious mental illness or co-occurring substance use disorder
710.29 and ensure the commissioner achieves the goals of the housing mission statement in section
710.30 245.461, subdivision 4.

711.1 Subd. 2. **Eligible applicants.** An applicant for a grant under this section must be a
 711.2 nonprofit organization, county, or other entity who provides services to help individuals
 711.3 transition from homelessness.

711.4 Subd. 3. **Allowable grant activities.** Grantees must provide homeless outreach and case
 711.5 management services. Projects may provide clinical assessment, habilitation and rehabilitation
 711.6 services, community mental health services, substance use disorder treatment, housing
 711.7 transition and sustaining services, or direct assistance funding. Services must be provided
 711.8 to individuals with a serious mental illness, or with a co-occurring substance use disorder,
 711.9 and who are homeless or at imminent risk of homelessness. Individuals receiving homeless
 711.10 outreach services may be presumed eligible until a serious mental illness can be verified.

711.11 Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for
 711.12 the purposes of evaluating the effectiveness of the grant program. The report must include:

711.13 (1) the number of individuals to whom the grantee provided homeless outreach services;

711.14 (2) the number of individuals the grantee enrolled in case management services;

711.15 (3) the number of individuals that were able to access mental health and substance use
 711.16 disorder treatment services; and

711.17 (4) the number of individuals that were able to transition from homelessness to housing.

711.18 (b) The commissioner must submit the results of the evaluation to the chairs and ranking
 711.19 minority members of the legislative committees with jurisdiction over mental health and
 711.20 homelessness.

711.21 Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with
 711.22 all conditions and requirements necessary to receive federal aid or grants with respect to
 711.23 homeless services or programs as specified in section 245.70.

711.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

711.25 Sec. 8. **[245.992] HOUSING WITH SUPPORT FOR ADULTS WITH SERIOUS**
 711.26 **MENTAL ILLNESS PROGRAM.**

711.27 Subdivision 1. **Establishment.** The commissioner of human services must establish a
 711.28 housing with support for adults with serious mental illness program to prevent or end
 711.29 homelessness for people with serious mental illness, to increase the availability of housing
 711.30 with support, and to ensure the commissioner may achieve the goals of the housing mission
 711.31 statement in section 245.461, subdivision 4.

712.1 Subd. 2. **Eligible applicants.** Program activities must be provided to people with a
 712.2 serious mental illness, or with a co-occurring substance use disorder, who meet homeless
 712.3 criteria determined by the commissioner.

712.4 Subd. 3. **Allowable grant activities.** Grantees must provide a range of activities and
 712.5 supportive services that ensure individuals obtain and retain permanent supportive housing.
 712.6 Program activities may include case management, site-based housing services, housing
 712.7 transition and sustaining services, outreach services, community support services, or direct
 712.8 assistance funding.

712.9 Subd. 4. **Outcomes.** (a) Grantees must submit an annual report to the commissioner for
 712.10 the purposes of evaluating the effectiveness of the grant program. The report must include:

712.11 (1) whether the grantee's housing and activities utilized evidence-based practices;

712.12 (2) the number of individuals that were able to transition from homelessness to housing;

712.13 (3) the number of individuals that were able to retain housing; and

712.14 (4) whether the individuals were satisfied with their housing.

712.15 (b) The commissioner must submit the results of the evaluation to the chairs and ranking
 712.16 minority members of the legislative committees with jurisdiction over mental health and
 712.17 homelessness.

712.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

712.19 Sec. 9. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

712.20 Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a
 712.21 program or service provider licensed under this chapter and the following individuals, if
 712.22 applicable:

712.23 (1) each officer of the organization, including the chief executive officer and chief
 712.24 financial officer;

712.25 (2) the individual designated as the authorized agent under section 245A.04, subdivision
 712.26 1, paragraph (b);

712.27 (3) the individual designated as the compliance officer under section 256B.04, subdivision
 712.28 21, paragraph (g);

712.29 (4) each managerial official whose responsibilities include the direction of the
 712.30 management or policies of a program; ~~and~~

713.1 (5) the individual designated as the primary provider of care for a special family child
713.2 care program under section 245A.14, subdivision 4, paragraph (i); and

713.3 (6) the president and treasurer of the board of directors of a nonprofit corporation.

713.4 (b) Controlling individual does not include:

713.5 (1) a bank, savings bank, trust company, savings association, credit union, industrial
713.6 loan and thrift company, investment banking firm, or insurance company unless the entity
713.7 operates a program directly or through a subsidiary;

713.8 (2) an individual who is a state or federal official, or state or federal employee, or a
713.9 member or employee of the governing body of a political subdivision of the state or federal
713.10 government that operates one or more programs, unless the individual is also an officer,
713.11 owner, or managerial official of the program, receives remuneration from the program, or
713.12 owns any of the beneficial interests not excluded in this subdivision;

713.13 (3) an individual who owns less than five percent of the outstanding common shares of
713.14 a corporation:

713.15 (i) whose securities are exempt under section 80A.45, clause (6); or

713.16 (ii) whose transactions are exempt under section 80A.46, clause (2);

713.17 (4) an individual who is a member of an organization exempt from taxation under section
713.18 290.05, unless the individual is also an officer, owner, or managerial official of the program
713.19 or owns any of the beneficial interests not excluded in this subdivision. This clause does
713.20 not exclude from the definition of controlling individual an organization that is exempt from
713.21 taxation; or

713.22 (5) an employee stock ownership plan trust, or a participant or board member of an
713.23 employee stock ownership plan, unless the participant or board member is a controlling
713.24 individual according to paragraph (a).

713.25 (c) For purposes of this subdivision, "managerial official" means an individual who has
713.26 the decision-making authority related to the operation of the program, and the responsibility
713.27 for the ongoing management of or direction of the policies, services, or employees of the
713.28 program. A site director who has no ownership interest in the program is not considered to
713.29 be a managerial official for purposes of this definition.

713.30 Sec. 10. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

713.31 Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or
713.32 indirect ownership interest of five percent or more in a program licensed under this chapter.

714.1 For purposes of this subdivision, "direct ownership interest" means the possession of equity
 714.2 in capital, stock, or profits of an organization, and "indirect ownership interest" means a
 714.3 direct ownership interest in an entity that has a direct or indirect ownership interest in a
 714.4 licensed program. For purposes of this chapter, "~~owner of a nonprofit corporation" means~~
 714.5 ~~the president and treasurer of the board of directors or, for an entity owned by an employee~~
 714.6 ~~stock ownership plan,"~~ means the president and treasurer of the entity. A government entity
 714.7 or nonprofit corporation that is issued a license under this chapter shall be designated the
 714.8 owner.

714.9 Sec. 11. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

714.10 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
 714.11 entity that is subject to licensure under section 245A.03 must apply for a license. The
 714.12 application must be made on the forms and in the manner prescribed by the commissioner.
 714.13 The commissioner shall provide the applicant with instruction in completing the application
 714.14 and provide information about the rules and requirements of other state agencies that affect
 714.15 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
 714.16 Minnesota must have a program office located within 30 miles of the Minnesota border.
 714.17 An applicant who intends to buy or otherwise acquire a program or services licensed under
 714.18 this chapter that is owned by another license holder must apply for a license under this
 714.19 chapter and comply with the application procedures in this section and section ~~245A.03~~
 714.20 245A.043.

714.21 The commissioner shall act on the application within 90 working days after a complete
 714.22 application and any required reports have been received from other state agencies or
 714.23 departments, counties, municipalities, or other political subdivisions. The commissioner
 714.24 shall not consider an application to be complete until the commissioner receives all of the
 714.25 required information.

714.26 When the commissioner receives an application for initial licensure that is incomplete
 714.27 because the applicant failed to submit required documents or that is substantially deficient
 714.28 because the documents submitted do not meet licensing requirements, the commissioner
 714.29 shall provide the applicant written notice that the application is incomplete or substantially
 714.30 deficient. In the written notice to the applicant the commissioner shall identify documents
 714.31 that are missing or deficient and give the applicant 45 days to resubmit a second application
 714.32 that is substantially complete. An applicant's failure to submit a substantially complete
 714.33 application after receiving notice from the commissioner is a basis for license denial under
 714.34 section 245A.05.

715.1 (b) An application for licensure must identify all controlling individuals as defined in
715.2 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
715.3 agent. The application must be signed by the authorized agent and must include the authorized
715.4 agent's first, middle, and last name; mailing address; and email address. By submitting an
715.5 application for licensure, the authorized agent consents to electronic communication with
715.6 the commissioner throughout the application process. The authorized agent must be
715.7 authorized to accept service on behalf of all of the controlling individuals. A government
715.8 entity that holds multiple licenses under this chapter may designate one authorized agent
715.9 for all licenses issued under this chapter or may designate a different authorized agent for
715.10 each license. Service on the authorized agent is service on all of the controlling individuals.
715.11 It is not a defense to any action arising under this chapter that service was not made on each
715.12 controlling individual. The designation of a controlling individual as the authorized agent
715.13 under this paragraph does not affect the legal responsibility of any other controlling individual
715.14 under this chapter.

715.15 (c) An applicant or license holder must have a policy that prohibits license holders,
715.16 employees, subcontractors, and volunteers, when directly responsible for persons served
715.17 by the program, from abusing prescription medication or being in any manner under the
715.18 influence of a chemical that impairs the individual's ability to provide services or care. The
715.19 license holder must train employees, subcontractors, and volunteers about the program's
715.20 drug and alcohol policy.

715.21 (d) An applicant and license holder must have a program grievance procedure that permits
715.22 persons served by the program and their authorized representatives to bring a grievance to
715.23 the highest level of authority in the program.

715.24 (e) The commissioner may limit communication during the application process to the
715.25 authorized agent or the controlling individuals identified on the license application and for
715.26 whom a background study was initiated under chapter 245C. The commissioner may require
715.27 the applicant, except for child foster care, to demonstrate competence in the applicable
715.28 licensing requirements by successfully completing a written examination. The commissioner
715.29 may develop a prescribed written examination format.

715.30 (f) When an applicant is an individual, the applicant must provide:

715.31 (1) the applicant's taxpayer identification numbers including the Social Security number
715.32 or Minnesota tax identification number, and federal employer identification number if the
715.33 applicant has employees;

716.1 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
716.2 of state that includes the complete business name, if any;

716.3 (3) if doing business under a different name, the doing business as (DBA) name, as
716.4 registered with the secretary of state;

716.5 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
716.6 Minnesota Provider Identifier (UMPI) number; and

716.7 (5) at the request of the commissioner, the notarized signature of the applicant or
716.8 authorized agent.

716.9 (g) When an applicant is an organization, the applicant must provide:

716.10 (1) the applicant's taxpayer identification numbers including the Minnesota tax
716.11 identification number and federal employer identification number;

716.12 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
716.13 of state that includes the complete business name, and if doing business under a different
716.14 name, the doing business as (DBA) name, as registered with the secretary of state;

716.15 (3) the first, middle, and last name, and address for all individuals who will be controlling
716.16 individuals, including all officers, owners, and managerial officials as defined in section
716.17 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
716.18 for each controlling individual;

716.19 (4) if applicable, the applicant's NPI number and UMPI number;

716.20 (5) the documents that created the organization and that determine the organization's
716.21 internal governance and the relations among the persons that own the organization, have
716.22 an interest in the organization, or are members of the organization, in each case as provided
716.23 or authorized by the organization's governing statute, which may include a partnership
716.24 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
716.25 or comparable documents as provided in the organization's governing statute; and

716.26 (6) the notarized signature of the applicant or authorized agent.

716.27 (h) When the applicant is a government entity, the applicant must provide:

716.28 (1) the name of the government agency, political subdivision, or other unit of government
716.29 seeking the license and the name of the program or services that will be licensed;

716.30 (2) the applicant's taxpayer identification numbers including the Minnesota tax
716.31 identification number and federal employer identification number;

717.1 (3) a letter signed by the manager, administrator, or other executive of the government
717.2 entity authorizing the submission of the license application; and

717.3 (4) if applicable, the applicant's NPI number and UMPI number.

717.4 (i) At the time of application for licensure or renewal of a license under this chapter, the
717.5 applicant or license holder must acknowledge on the form provided by the commissioner
717.6 if the applicant or license holder elects to receive any public funding reimbursement from
717.7 the commissioner for services provided under the license that:

717.8 (1) the applicant's or license holder's compliance with the provider enrollment agreement
717.9 or registration requirements for receipt of public funding may be monitored by the
717.10 commissioner as part of a licensing investigation or licensing inspection; and

717.11 (2) noncompliance with the provider enrollment agreement or registration requirements
717.12 for receipt of public funding that is identified through a licensing investigation or licensing
717.13 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
717.14 reimbursement for a service, may result in:

717.15 (i) a correction order or a conditional license under section 245A.06, or sanctions under
717.16 section 245A.07;

717.17 (ii) nonpayment of claims submitted by the license holder for public program
717.18 reimbursement;

717.19 (iii) recovery of payments made for the service;

717.20 (iv) disenrollment in the public payment program; or

717.21 (v) other administrative, civil, or criminal penalties as provided by law.

717.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

717.23 Sec. 12. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

717.24 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
717.25 the program complies with all applicable rules and laws, the commissioner shall issue a
717.26 license consistent with this section or, if applicable, a temporary change of ownership license
717.27 under section 245A.043. At minimum, the license shall state:

717.28 (1) the name of the license holder;

717.29 (2) the address of the program;

717.30 (3) the effective date and expiration date of the license;

718.1 (4) the type of license;

718.2 (5) the maximum number and ages of persons that may receive services from the program;

718.3 and

718.4 (6) any special conditions of licensure.

718.5 (b) The commissioner may issue a license for a period not to exceed two years if:

718.6 (1) the commissioner is unable to conduct the ~~evaluation~~ or observation required by
718.7 subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

718.8 (2) certain records and documents are not available because persons are not yet receiving
718.9 services from the program; and

718.10 (3) the applicant complies with applicable laws and rules in all other respects.

718.11 (c) A decision by the commissioner to issue a license does not guarantee that any person
718.12 or persons will be placed or cared for in the licensed program.

718.13 (d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or
718.14 reissue a license if the applicant, license holder, or controlling individual has:

718.15 (1) been disqualified and the disqualification was not set aside and no variance has been
718.16 granted;

718.17 (2) been denied a license under this chapter, within the past two years;

718.18 (3) had a license issued under this chapter revoked within the past five years;

718.19 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
718.20 for which payment is delinquent; or

718.21 (5) failed to submit the information required of an applicant under subdivision 1,
718.22 paragraph (f) ~~or~~ (g), or (h), after being requested by the commissioner.

718.23 When a license issued under this chapter is revoked under clause (1) or (3), the license
718.24 holder and controlling individual may not hold any license under chapter 245A for five
718.25 years following the revocation, and other licenses held by the applicant, license holder, or
718.26 controlling individual shall also be revoked.

718.27 (e) The commissioner shall not issue or reissue a license under this chapter if an individual
718.28 living in the household where the services will be provided as specified under section
718.29 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
718.30 and no variance has been granted.

719.1 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
719.2 under this chapter has been suspended or revoked and the suspension or revocation is under
719.3 appeal, the program may continue to operate pending a final order from the commissioner.
719.4 If the license under suspension or revocation will expire before a final order is issued, a
719.5 temporary provisional license may be issued provided any applicable license fee is paid
719.6 before the temporary provisional license is issued.

719.7 (g) Notwithstanding paragraph (f), when a revocation is based on the disqualification
719.8 of a controlling individual or license holder, and the controlling individual or license holder
719.9 is ordered under section 245C.17 to be immediately removed from direct contact with
719.10 persons receiving services or is ordered to be under continuous, direct supervision when
719.11 providing direct contact services, the program may continue to operate only if the program
719.12 complies with the order and submits documentation demonstrating compliance with the
719.13 order. If the disqualified individual fails to submit a timely request for reconsideration, or
719.14 if the disqualification is not set aside and no variance is granted, the order to immediately
719.15 remove the individual from direct contact or to be under continuous, direct supervision
719.16 remains in effect pending the outcome of a hearing and final order from the commissioner.

719.17 (h) For purposes of reimbursement for meals only, under the Child and Adult Care Food
719.18 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
719.19 relocation within the same county by a licensed family day care provider, shall be considered
719.20 an extension of the license for a period of no more than 30 calendar days or until the new
719.21 license is issued, whichever occurs first, provided the county agency has determined the
719.22 family day care provider meets licensure requirements at the new location.

719.23 (i) Unless otherwise specified by statute, all licenses issued under this chapter expire at
719.24 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
719.25 apply for and be granted a new license to operate the program or the program must not be
719.26 operated after the expiration date.

719.27 (j) The commissioner shall not issue or reissue a license under this chapter if it has been
719.28 determined that a tribal licensing authority has established jurisdiction to license the program
719.29 or service.

719.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

720.1 Sec. 13. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision
720.2 to read:

720.3 Subd. 6. **First date of direct contact; documentation requirements.** Except for family
720.4 child care, family foster care for children, and family adult day services that the license
720.5 holder provides in the license holder's residence, license holders must document the first
720.6 date that a background study subject has direct contact, as defined in section 245C.02,
720.7 subdivision 11, with a person served by the license holder's program. Unless this chapter
720.8 otherwise requires, if the license holder does not maintain the documentation required by
720.9 this subdivision in the license holder's personnel files, the license holder must provide the
720.10 documentation to the commissioner upon the commissioner's request.

720.11 **EFFECTIVE DATE.** This section is effective January 1, 2024.

720.12 Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

720.13 Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of
720.14 receipt of the license holder's timely appeal, the commissioner shall request assignment of
720.15 an administrative law judge. The request must include a proposed date, time, and place of
720.16 a hearing. A hearing must be conducted by an administrative law judge within 30 calendar
720.17 days of the request for assignment, unless an extension is requested by either party and
720.18 granted by the administrative law judge for good cause. The commissioner shall issue a
720.19 notice of hearing by certified mail or personal service at least ten working days before the
720.20 hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary
720.21 immediate suspension should remain in effect pending the commissioner's final order under
720.22 section 245A.08, regarding a licensing sanction issued under subdivision 3 following the
720.23 immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the
720.24 burden of proof in expedited hearings under this subdivision shall be limited to the
720.25 commissioner's demonstration that reasonable cause exists to believe that the license holder's
720.26 actions or failure to comply with applicable law or rule poses, or the actions of other
720.27 individuals or conditions in the program poses an imminent risk of harm to the health, safety,
720.28 or rights of persons served by the program. "Reasonable cause" means there exist specific
720.29 articulable facts or circumstances which provide the commissioner with a reasonable
720.30 suspicion that there is an imminent risk of harm to the health, safety, or rights of persons
720.31 served by the program. When the commissioner has determined there is reasonable cause
720.32 to order the temporary immediate suspension of a license based on a violation of safe sleep
720.33 requirements, as defined in section 245A.1435, the commissioner is not required to
720.34 demonstrate that an infant died or was injured as a result of the safe sleep violations. For

721.1 suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited
721.2 hearings under this subdivision shall be limited to the commissioner's demonstration by a
721.3 preponderance of the evidence that, since the license was revoked, the license holder
721.4 committed additional violations of law or rule which may adversely affect the health or
721.5 safety of persons served by the program.

721.6 (b) The administrative law judge shall issue findings of fact, conclusions, and a
721.7 recommendation within ten working days from the date of hearing. The parties shall have
721.8 ten calendar days to submit exceptions to the administrative law judge's report. The record
721.9 shall close at the end of the ten-day period for submission of exceptions. The commissioner's
721.10 final order shall be issued within ten working days from the close of the record. When an
721.11 appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner
721.12 shall issue a final order affirming the temporary immediate suspension within ten calendar
721.13 days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days
721.14 after an immediate suspension has been issued and the license holder has not submitted a
721.15 timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final
721.16 order affirming an immediate suspension, the commissioner shall ~~make a determination~~
721.17 regarding determine:

721.18 (1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a),
721.19 clauses (1) to (6). The license holder shall continue to be prohibited from operation of the
721.20 program during this 90-day period; or

721.21 (2) whether the outcome of related, ongoing investigations or judicial proceedings are
721.22 necessary to determine if a final licensing sanction under subdivision 3, paragraph (a),
721.23 clauses (1) to (6), will be issued and whether persons served by the program remain at an
721.24 imminent risk of harm during the investigation period or proceedings. If so, the commissioner
721.25 shall issue a suspension order under subdivision 3, paragraph (a), clause (7).

721.26 (c) When the final order under paragraph (b) affirms an immediate suspension or the
721.27 license holder does not submit a timely appeal of the immediate suspension, and a final
721.28 licensing sanction is issued under subdivision 3 and the license holder appeals that sanction,
721.29 the license holder continues to be prohibited from operation of the program pending a final
721.30 commissioner's order under section 245A.08, subdivision 5, regarding the final licensing
721.31 sanction.

721.32 (d) The license holder shall continue to be prohibited from operation of the program
721.33 while a suspension order issued under paragraph (b), clause (2), remains in effect.

722.1 ~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of
 722.2 proof in expedited hearings under this subdivision shall be limited to the commissioner's
 722.3 demonstration by a preponderance of the evidence that a criminal complaint and warrant
 722.4 or summons was issued for the license holder that was not dismissed, and that the criminal
 722.5 charge is an offense that involves fraud or theft against a program administered by the
 722.6 commissioner.

722.7 Sec. 15. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

722.8 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
 722.9 or revoke a license, or impose a fine if:

722.10 (1) a license holder fails to comply fully with applicable laws or rules including but not
 722.11 limited to the requirements of this chapter and chapter 245C;

722.12 (2) a license holder, a controlling individual, or an individual living in the household
 722.13 where the licensed services are provided or is otherwise subject to a background study has
 722.14 been disqualified and the disqualification was not set aside and no variance has been granted;

722.15 (3) a license holder knowingly withholds relevant information from or gives false or
 722.16 misleading information to the commissioner in connection with an application for a license,
 722.17 in connection with the background study status of an individual, during an investigation,
 722.18 or regarding compliance with applicable laws or rules;

722.19 (4) a license holder is excluded from any program administered by the commissioner
 722.20 under section 245.095; ~~or~~

722.21 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

722.22 (6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

722.23 A license holder who has had a license issued under this chapter suspended, revoked,
 722.24 or has been ordered to pay a fine must be given notice of the action by certified mail or
 722.25 personal service. If mailed, the notice must be mailed to the address shown on the application
 722.26 or the last known address of the license holder. The notice must state in plain language the
 722.27 reasons the license was suspended or revoked, or a fine was ordered.

722.28 (b) If the license was suspended or revoked, the notice must inform the license holder
 722.29 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
 722.30 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
 722.31 a license. The appeal of an order suspending or revoking a license must be made in writing
 722.32 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to

723.1 the commissioner within ten calendar days after the license holder receives notice that the
723.2 license has been suspended or revoked. If a request is made by personal service, it must be
723.3 received by the commissioner within ten calendar days after the license holder received the
723.4 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
723.5 timely appeal of an order suspending or revoking a license, the license holder may continue
723.6 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
723.7 (g), until the commissioner issues a final order on the suspension or revocation.

723.8 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
723.9 holder of the responsibility for payment of fines and the right to a contested case hearing
723.10 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
723.11 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
723.12 the appeal must be postmarked and sent to the commissioner within ten calendar days after
723.13 the license holder receives notice that the fine has been ordered. If a request is made by
723.14 personal service, it must be received by the commissioner within ten calendar days after
723.15 the license holder received the order.

723.16 (2) The license holder shall pay the fines assessed on or before the payment date specified.
723.17 If the license holder fails to fully comply with the order, the commissioner may issue a
723.18 second fine or suspend the license until the license holder complies. If the license holder
723.19 receives state funds, the state, county, or municipal agencies or departments responsible for
723.20 administering the funds shall withhold payments and recover any payments made while the
723.21 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
723.22 until the commissioner issues a final order.

723.23 (3) A license holder shall promptly notify the commissioner of human services, in writing,
723.24 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
723.25 commissioner determines that a violation has not been corrected as indicated by the order
723.26 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
723.27 the license holder by certified mail or personal service that a second fine has been assessed.
723.28 The license holder may appeal the second fine as provided under this subdivision.

723.29 (4) Fines shall be assessed as follows:

723.30 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
723.31 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
723.32 for which the license holder is determined responsible for the maltreatment under section
723.33 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

724.1 (ii) if the commissioner determines that a determination of maltreatment for which the
724.2 license holder is responsible is the result of maltreatment that meets the definition of serious
724.3 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
724.4 \$5,000;

724.5 (iii) for a program that operates out of the license holder's home and a program licensed
724.6 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
724.7 holder shall not exceed \$1,000 for each determination of maltreatment;

724.8 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
724.9 governing matters of health, safety, or supervision, including but not limited to the provision
724.10 of adequate staff-to-child or adult ratios, and failure to comply with background study
724.11 requirements under chapter 245C; and

724.12 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
724.13 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

724.14 For purposes of this section, "occurrence" means each violation identified in the
724.15 commissioner's fine order. Fines assessed against a license holder that holds a license to
724.16 provide home and community-based services, as identified in section 245D.03, subdivision
724.17 1, and a community residential setting or day services facility license under chapter 245D
724.18 where the services are provided, may be assessed against both licenses for the same
724.19 occurrence, but the combined amount of the fines shall not exceed the amount specified in
724.20 this clause for that occurrence.

724.21 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
724.22 selling, or otherwise transferring the licensed program to a third party. In such an event, the
724.23 license holder will be personally liable for payment. In the case of a corporation, each
724.24 controlling individual is personally and jointly liable for payment.

724.25 (d) Except for background study violations involving the failure to comply with an order
724.26 to immediately remove an individual or an order to provide continuous, direct supervision,
724.27 the commissioner shall not issue a fine under paragraph (c) relating to a background study
724.28 violation to a license holder who self-corrects a background study violation before the
724.29 commissioner discovers the violation. A license holder who has previously exercised the
724.30 provisions of this paragraph to avoid a fine for a background study violation may not avoid
724.31 a fine for a subsequent background study violation unless at least 365 days have passed
724.32 since the license holder self-corrected the earlier background study violation.

725.1 Sec. 16. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

725.2 Subd. 3. **Application fee for initial license or certification.** (a) For fees required under
725.3 subdivision 1, an applicant for an initial license or certification issued by the commissioner
725.4 shall submit a \$500 application fee with each new application required under this subdivision.
725.5 An applicant for an initial day services facility license under chapter 245D shall submit a
725.6 \$250 application fee with each new application. The application fee shall not be prorated,
725.7 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
725.8 December 31. The commissioner shall not process an application until the application fee
725.9 is paid.

725.10 (b) Except as provided in clauses (1) ~~to (3)~~ and (2), an applicant shall apply for a license
725.11 to provide services at a specific location.

725.12 (1) For a license to provide home and community-based services to persons with
725.13 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
725.14 to provide services statewide. Notwithstanding paragraph (a), applications received by the
725.15 commissioner between July 1, 2013, and December 31, 2013, for licensure of services
725.16 provided under chapter 245D must include an application fee that is equal to the annual
725.17 license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less.
725.18 Applications received by the commissioner after January 1, 2014, must include the application
725.19 fee required under paragraph (a). Applicants who meet the modified application criteria
725.20 identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

725.21 ~~(2) For a license to provide independent living assistance for youth under section 245A.22,~~
725.22 ~~an applicant shall submit a single application to provide services statewide.~~

725.23 ~~(3)~~ (2) For a license for a private agency to provide foster care or adoption services under
725.24 Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application
725.25 to provide services statewide.

725.26 (c) The initial application fee charged under this subdivision does not include the
725.27 temporary license surcharge under section 16E.22.

725.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

725.29 Sec. 17. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

725.30 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall
725.31 pay an annual nonrefundable license fee based on the following schedule:

726.1		Child Care Center
726.2	Licensed Capacity	License Fee
726.3	1 to 24 persons	\$200
726.4	25 to 49 persons	\$300
726.5	50 to 74 persons	\$400
726.6	75 to 99 persons	\$500
726.7	100 to 124 persons	\$600
726.8	125 to 149 persons	\$700
726.9	150 to 174 persons	\$800
726.10	175 to 199 persons	\$900
726.11	200 to 224 persons	\$1,000
726.12	225 or more persons	\$1,100

726.13 (b)(1) A program licensed to provide one or more of the home and community-based
 726.14 services and supports identified under chapter 245D to persons with disabilities or age 65
 726.15 and older, shall pay an annual nonrefundable license fee based on revenues derived from
 726.16 the provision of services that would require licensure under chapter 245D during the calendar
 726.17 year immediately preceding the year in which the license fee is paid, according to the
 726.18 following schedule:

726.19	License Holder Annual Revenue	License Fee
726.20	less than or equal to \$10,000	\$200
726.21	greater than \$10,000 but less than or	
726.22	equal to \$25,000	\$300
726.23	greater than \$25,000 but less than or	
726.24	equal to \$50,000	\$400
726.25	greater than \$50,000 but less than or	
726.26	equal to \$100,000	\$500
726.27	greater than \$100,000 but less than or	
726.28	equal to \$150,000	\$600
726.29	greater than \$150,000 but less than or	
726.30	equal to \$200,000	\$800
726.31	greater than \$200,000 but less than or	
726.32	equal to \$250,000	\$1,000
726.33	greater than \$250,000 but less than or	
726.34	equal to \$300,000	\$1,200
726.35	greater than \$300,000 but less than or	
726.36	equal to \$350,000	\$1,400
726.37	greater than \$350,000 but less than or	
726.38	equal to \$400,000	\$1,600
726.39	greater than \$400,000 but less than or	
726.40	equal to \$450,000	\$1,800

727.1	greater than \$450,000 but less than or	
727.2	equal to \$500,000	\$2,000
727.3	greater than \$500,000 but less than or	
727.4	equal to \$600,000	\$2,250
727.5	greater than \$600,000 but less than or	
727.6	equal to \$700,000	\$2,500
727.7	greater than \$700,000 but less than or	
727.8	equal to \$800,000	\$2,750
727.9	greater than \$800,000 but less than or	
727.10	equal to \$900,000	\$3,000
727.11	greater than \$900,000 but less than or	
727.12	equal to \$1,000,000	\$3,250
727.13	greater than \$1,000,000 but less than or	
727.14	equal to \$1,250,000	\$3,500
727.15	greater than \$1,250,000 but less than or	
727.16	equal to \$1,500,000	\$3,750
727.17	greater than \$1,500,000 but less than or	
727.18	equal to \$1,750,000	\$4,000
727.19	greater than \$1,750,000 but less than or	
727.20	equal to \$2,000,000	\$4,250
727.21	greater than \$2,000,000 but less than or	
727.22	equal to \$2,500,000	\$4,500
727.23	greater than \$2,500,000 but less than or	
727.24	equal to \$3,000,000	\$4,750
727.25	greater than \$3,000,000 but less than or	
727.26	equal to \$3,500,000	\$5,000
727.27	greater than \$3,500,000 but less than or	
727.28	equal to \$4,000,000	\$5,500
727.29	greater than \$4,000,000 but less than or	
727.30	equal to \$4,500,000	\$6,000
727.31	greater than \$4,500,000 but less than or	
727.32	equal to \$5,000,000	\$6,500
727.33	greater than \$5,000,000 but less than or	
727.34	equal to \$7,500,000	\$7,000
727.35	greater than \$7,500,000 but less than or	
727.36	equal to \$10,000,000	\$8,500
727.37	greater than \$10,000,000 but less than or	
727.38	equal to \$12,500,000	\$10,000
727.39	greater than \$12,500,000 but less than or	
727.40	equal to \$15,000,000	\$14,000
727.41	greater than \$15,000,000	\$18,000

727.42 (2) If requested, the license holder shall provide the commissioner information to verify
727.43 the license holder's annual revenues or other information as needed, including copies of
727.44 documents submitted to the Department of Revenue.

728.1 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
728.2 and not provide annual revenue information to the commissioner.

728.3 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
728.4 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
728.5 of double the fee the provider should have paid.

728.6 (5) Notwithstanding clause (1), a license holder providing services under one or more
728.7 licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license
728.8 fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license
728.9 holder for all licenses held under chapter 245B for calendar year 2013. For calendar year
728.10 2017 and thereafter, the license holder shall pay an annual license fee according to clause
728.11 (1).

728.12 (c) A substance use disorder treatment program licensed under chapter 245G, to provide
728.13 substance use disorder treatment shall pay an annual nonrefundable license fee based on
728.14 the following schedule:

728.15	Licensed Capacity	License Fee
728.16	1 to 24 persons	\$600
728.17	25 to 49 persons	\$800
728.18	50 to 74 persons	\$1,000
728.19	75 to 99 persons	\$1,200
728.20	100 or more persons	\$1,400

728.21 (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
728.22 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
728.23 an annual nonrefundable license fee based on the following schedule:

728.24	Licensed Capacity	License Fee
728.25	1 to 24 persons	\$760
728.26	25 to 49 persons	\$960
728.27	50 or more persons	\$1,160

728.28 A detoxification program that also operates a withdrawal management program at the same
728.29 location shall only pay one fee based upon the licensed capacity of the program with the
728.30 higher overall capacity.

728.31 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
728.32 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the
728.33 following schedule:

729.1	Licensed Capacity	License Fee
729.2	1 to 24 persons	\$1,000
729.3	25 to 49 persons	\$1,100
729.4	50 to 74 persons	\$1,200
729.5	75 to 99 persons	\$1,300
729.6	100 or more persons	\$1,400

729.7 (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
 729.8 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
 729.9 nonrefundable license fee based on the following schedule:

729.10	Licensed Capacity	License Fee
729.11	1 to 24 persons	\$2,525
729.12	25 or more persons	\$2,725

729.13 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400,
 729.14 to serve persons with physical disabilities shall pay an annual nonrefundable license fee
 729.15 based on the following schedule:

729.16	Licensed Capacity	License Fee
729.17	1 to 24 persons	\$450
729.18	25 to 49 persons	\$650
729.19	50 to 74 persons	\$850
729.20	75 to 99 persons	\$1,050
729.21	100 or more persons	\$1,250

729.22 ~~(h) A program licensed to provide independent living assistance for youth under section~~
 729.23 ~~245A.22 shall pay an annual nonrefundable license fee of \$1,500.~~

729.24 ~~(h)~~ (h) A private agency licensed to provide foster care and adoption services under
 729.25 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license
 729.26 fee of \$875.

729.27 ~~(i)~~ (i) A program licensed as an adult day care center licensed under Minnesota Rules,
 729.28 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
 729.29 following schedule:

729.30	Licensed Capacity	License Fee
729.31	1 to 24 persons	\$500
729.32	25 to 49 persons	\$700
729.33	50 to 74 persons	\$900

730.1 75 to 99 persons \$1,100

730.2 100 or more persons \$1,300

730.3 ~~(k)~~ (j) A program licensed to provide treatment services to persons with sexual
730.4 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
730.5 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

730.6 ~~(k)~~ (k) A mental health clinic certified under section 245I.20 shall pay an annual
730.7 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
730.8 primary location with satellite facilities, the satellite facilities shall be certified with the
730.9 primary location without an additional charge.

730.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

730.11 Sec. 18. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

730.12 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
730.13 agencies that have been designated or licensed by the commissioner to perform licensing
730.14 functions and activities under section 245A.04 ~~and background studies for family child care~~
730.15 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue
730.16 correction orders, to issue variances, and recommend a conditional license under section
730.17 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
730.18 245A.07, shall comply with rules and directives of the commissioner governing those
730.19 functions and with this section. The following variances are excluded from the delegation
730.20 of variance authority and may be issued only by the commissioner:

730.21 (1) dual licensure of family child care and child foster care, dual licensure of child and
730.22 adult foster care, and adult foster care and family child care;

730.23 (2) adult foster care maximum capacity;

730.24 (3) adult foster care minimum age requirement;

730.25 (4) child foster care maximum age requirement;

730.26 (5) variances regarding disqualified individuals ~~except that, before the implementation~~
730.27 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~
730.28 ~~disqualified individuals when the county is responsible for conducting a consolidated~~
730.29 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~
730.30 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~
730.31 ~~recurring maltreatment;~~

731.1 (6) the required presence of a caregiver in the adult foster care residence during normal
731.2 sleeping hours;

731.3 (7) variances to requirements relating to chemical use problems of a license holder or a
731.4 household member of a license holder; and

731.5 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
731.6 a variance under this clause, the license holder must provide notice of the variance to all
731.7 parents and guardians of the children in care.

731.8 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
731.9 not grant a license holder a variance to exceed the maximum allowable family child care
731.10 license capacity of 14 children.

731.11 (b) A county agency that has been designated by the commissioner to issue family child
731.12 care variances must:

731.13 (1) publish the county agency's policies and criteria for issuing variances on the county's
731.14 public website and update the policies as necessary; and

731.15 (2) annually distribute the county agency's policies and criteria for issuing variances to
731.16 all family child care license holders in the county.

731.17 ~~(e) Before the implementation of NET Study 2.0, county agencies must report information~~
731.18 ~~about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision~~
731.19 ~~2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the~~
731.20 ~~commissioner at least monthly in a format prescribed by the commissioner.~~

731.21 ~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency
731.22 to conduct one unannounced licensing review at least annually.

731.23 ~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing
731.24 reviews every two years after a licensee has had at least one annual review.

731.25 ~~(f)~~ (e) A license issued under this section may be issued for up to two years.

731.26 ~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

731.27 (1) the role of counties in quality assurance;

731.28 (2) the duties of county licensing staff; and

731.29 (3) the possible use of joint powers agreements, according to section 471.59, with counties
731.30 through which some licensing duties under chapter 245D may be delegated by the
731.31 commissioner to the counties.

732.1 Any consideration related to this paragraph must meet all of the requirements of the corrective
732.2 action plan ordered by the federal Centers for Medicare and Medicaid Services.

732.3 ~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
732.4 successor provisions; and section 245D.061 or successor provisions, for family child foster
732.5 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
732.6 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
732.7 private agencies.

732.8 ~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the
732.9 commissioner, the following information for a licensed family child care program:

732.10 (1) the results of each licensing review completed, including the date of the review, and
732.11 any licensing correction order issued;

732.12 (2) any death, serious injury, or determination of substantiated maltreatment; and

732.13 (3) any fires that require the service of a fire department within 48 hours of the fire. The
732.14 information under this clause must also be reported to the state fire marshal within two
732.15 business days of receiving notice from a licensed family child care provider.

732.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

732.17 Sec. 19. **[245A.211] PRONE RESTRAINT PROHIBITION.**

732.18 **Subdivision 1. Applicability.** This section applies to all programs licensed or certified
732.19 under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.
732.20 The requirements in this section are in addition to any applicable requirements for the use
732.21 of holds or restraints for each license or certification type.

732.22 **Subd. 2. Definitions.** (a) "Mechanical restraint" means a restraint device that limits the
732.23 voluntary movement of a person or the person's limbs.

732.24 (b) "Prone restraint" means a restraint that places a person in a face-down position with
732.25 the person's chest in contact with the floor or other surface.

732.26 (c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint
732.27 equipment, or mechanical restraint that holds a person immobile or limits the voluntary
732.28 movement of a person or the person's limbs.

732.29 **Subd. 3. Prone restraint prohibition.** (a) A license or certification holder must not use
732.30 a prone restraint on any person receiving services in a program, except in the instances
732.31 allowed by paragraphs (b) to (d).

733.1 (b) If a person rolls into a prone position during the use of a restraint, the person must
 733.2 be restored to a nonprone position as quickly as possible.

733.3 (c) If the applicable licensing requirements allow a program to use mechanical restraints,
 733.4 a person may be briefly held in a prone restraint for the purpose of applying mechanical
 733.5 restraints if the person is restored to a nonprone position as quickly as possible.

733.6 (d) If the applicable licensing requirements allow a program to use seclusion, a person
 733.7 may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

733.8 Subd. 4. **Contraindicated physical restraints.** A license or certification holder must
 733.9 not implement a restraint on a person receiving services in a program in a way that is
 733.10 contraindicated for any of the person's known medical or psychological conditions. Prior
 733.11 to using restraints on a person, the license or certification holder must assess and document
 733.12 a determination of any medical or psychological conditions that restraints are contraindicated
 733.13 for and the type of restraints that will not be used on the person based on this determination.

733.14 Sec. 20. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

733.15 **Subd. 6a. Child care background study subject.** (a) "Child care background study
 733.16 subject" means an individual who is affiliated with a licensed child care center, certified
 733.17 license-exempt child care center, licensed family child care program, or legal nonlicensed
 733.18 child care provider authorized under chapter 119B, and who is:

733.19 (1) employed by a child care provider for compensation;

733.20 (2) assisting in the care of a child for a child care provider;

733.21 (3) a person applying for licensure, certification, or enrollment;

733.22 (4) a controlling individual as defined in section 245A.02, subdivision 5a;

733.23 (5) an individual 13 years of age or older who lives in the household where the licensed
 733.24 program will be provided and who is not receiving licensed services from the program;

733.25 (6) an individual ten to 12 years of age who lives in the household where the licensed
 733.26 services will be provided when the commissioner has reasonable cause as defined in section
 733.27 245C.02, subdivision 15;

733.28 (7) an individual who, without providing direct contact services at a licensed program,
 733.29 certified program, or program authorized under chapter 119B, may have unsupervised access
 733.30 to a child receiving services from a program when the commissioner has reasonable cause
 733.31 as defined in section 245C.02, subdivision 15; or

734.1 (8) a volunteer, contractor providing services for hire in the program, prospective
 734.2 employee, or other individual who has unsupervised physical access to a child served by a
 734.3 program and who is not under supervision by an individual listed in clause (1) or (5),
 734.4 regardless of whether the individual provides program services.

734.5 (b) Notwithstanding paragraph (a), an individual who is providing services that are not
 734.6 part of the child care program is not required to have a background study if:

734.7 (1) the child receiving services is signed out of the child care program for the duration
 734.8 that the services are provided;

734.9 (2) the licensed child care center, certified license-exempt child care center, licensed
 734.10 family child care program, or legal nonlicensed child care provider authorized under chapter
 734.11 119B has obtained advanced written permission from the parent authorizing the child to
 734.12 receive the services, which is maintained in the child's record;

734.13 (3) the licensed child care center, certified license-exempt child care center, licensed
 734.14 family child care program, or legal nonlicensed child care provider authorized under chapter
 734.15 119B maintains documentation on site that identifies the individual service provider and
 734.16 the services being provided; and

734.17 (4) the licensed child care center, certified license-exempt child care center, licensed
 734.18 family child care program, or legal nonlicensed child care provider authorized under chapter
 734.19 119B ensures that the service provider does not have unsupervised access to a child not
 734.20 receiving the provider's services.

734.21 Sec. 21. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

734.22 Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency
 734.23 ~~initiating~~ required to initiate or submit a background study.

734.24 Sec. 22. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
 734.25 to read:

734.26 Subd. 11f. **Employee.** "Employee" means an individual who provides services or seeks
 734.27 to provide services for or through the entity with which they are required to be affiliated in
 734.28 NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited
 734.29 to continuous, direct supervision by the entity and being subject to immediate removal from
 734.30 providing direct contact services by the entity when required. This subdivision does not
 734.31 apply to child care background study subjects under subdivision 6a.

735.1 Sec. 23. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
735.2 to read:

735.3 Subd. 22. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide
735.4 services for or through an entity without direct compensation for services provided, is
735.5 required to be affiliated in NETStudy 2.0 with the entity, and is subject to oversight by the
735.6 entity, including but not limited to continuous, direct supervision and immediate removal
735.7 from providing direct contact services when required. This subdivision does not apply to
735.8 child care background study subjects under subdivision 6a.

735.9 Sec. 24. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

735.10 Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this
735.11 section to have or initiate background studies shall comply with the requirements of this
735.12 chapter.

735.13 (b) All studies conducted under this section shall be conducted according to sections
735.14 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62,
735.15 subdivision 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2)
735.16 to (5), and 6a.

735.17 Sec. 25. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

735.18 Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational**
735.19 **programs; professional services agencies.** (a) The commissioner also may conduct studies
735.20 on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies
735.21 are initiated by:

735.22 (1) personnel pool agencies;

735.23 (2) temporary personnel agencies;

735.24 (3) educational programs that train individuals by providing direct contact services in
735.25 licensed programs; and

735.26 (4) professional services agencies that are not licensed and ~~which contract~~ that work
735.27 with licensed programs to provide direct contact services or individuals who provide direct
735.28 contact services.

735.29 (b) Personnel pool agencies, temporary personnel agencies, and professional services
735.30 agencies must employ the individuals providing direct care services for children, people
735.31 with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject

736.1 to oversight by the entity, which includes but is not limited to continuous, direct supervision
736.2 by the entity and being subject to immediate removal from providing direct care services
736.3 when required.

736.4 Sec. 26. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

736.5 Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on
736.6 applicants and license holders under the jurisdiction of other state agencies who are required
736.7 in other statutory sections to initiate background studies under this chapter, including the
736.8 applicant's or license holder's employees, ~~contractors~~, and volunteers when required under
736.9 other statutory sections.

736.10 Sec. 27. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

736.11 Subd. 5a. **Facilities serving children or adults licensed or regulated by the**
736.12 **Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall
736.13 conduct background studies of:

736.14 (1) individuals providing services who have direct contact, as defined under section
736.15 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes,
736.16 outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and
736.17 home care agencies licensed under chapter 144A; assisted living facilities and assisted living
736.18 facilities with dementia care licensed under chapter 144G; and board and lodging
736.19 establishments that are registered to provide supportive or health supervision services under
736.20 section 157.17;

736.21 (2) individuals specified in subdivision 2 who provide direct contact services in a nursing
736.22 home or a home care agency licensed under chapter 144A; an assisted living facility or
736.23 assisted living facility with dementia care licensed under chapter 144G; or a boarding care
736.24 home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides
736.25 outside of Minnesota, the study must include a check for substantiated findings of
736.26 maltreatment of adults and children in the individual's state of residence when the state
736.27 makes the information available;

736.28 (3) all other employees in assisted living facilities or assisted living facilities with
736.29 dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A,
736.30 and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of
736.31 an individual in this section shall disqualify the individual from positions allowing direct
736.32 contact with or access to patients or residents receiving services. "Access" means physical
736.33 access to a client or the client's personal property without continuous, direct supervision as

737.1 defined in section 245C.02, subdivision 8, when the employee's employment responsibilities
737.2 do not include providing direct contact services;

737.3 (4) individuals employed by a supplemental nursing services agency, as defined under
737.4 section 144A.70, who are providing services in health care facilities;

737.5 (5) controlling persons of a supplemental nursing services agency, as defined by section
737.6 144A.70; and

737.7 (6) license applicants, owners, managerial officials, and controlling individuals who are
737.8 required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a
737.9 background study under this chapter, regardless of the licensure status of the license applicant,
737.10 owner, managerial official, or controlling individual.

737.11 (b) ~~The commissioner of human services shall not conduct~~ An entity shall not initiate a
737.12 background study on any individual identified in paragraph (a), clauses (1) to (5), if the
737.13 individual has a valid license issued by a health-related licensing board as defined in section
737.14 214.01, subdivision 2, and has completed the criminal background check as required in
737.15 section 214.075. An entity that is affiliated with individuals who meet the requirements of
737.16 this paragraph must separate those individuals from the entity's roster for NETStudy 2.0.
737.17 The Department of Human Services is not liable for conducting background studies that
737.18 have been submitted or not removed from the roster in violation of this provision.

737.19 (c) If a facility or program is licensed by the Department of Human Services and the
737.20 Department of Health and is subject to the background study provisions of this chapter, the
737.21 Department of Human Services is solely responsible for the background studies of individuals
737.22 in the jointly licensed program.

737.23 (d) The commissioner of health shall review and make decisions regarding reconsideration
737.24 requests, including whether to grant variances, according to the procedures and criteria in
737.25 this chapter. The commissioner of health shall inform the requesting individual and the
737.26 Department of Human Services of the commissioner of health's decision regarding the
737.27 reconsideration. The commissioner of health's decision to grant or deny a reconsideration
737.28 of a disqualification is a final administrative agency action.

737.29 Sec. 28. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

737.30 Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct
737.31 an alternative background study of individuals listed in this section.

737.32 (b) Notwithstanding other sections of this chapter, all alternative background studies
737.33 except subdivision 12 shall be conducted according to this section and with sections 299C.60

738.1 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision
738.2 2.

738.3 (c) All terms in this section shall have the definitions provided in section 245C.02.

738.4 (d) The entity that submits an alternative background study request under this section
738.5 shall submit the request to the commissioner according to section 245C.05.

738.6 (e) The commissioner shall comply with the destruction requirements in section 245C.051.

738.7 (f) Background studies conducted under this section are subject to the provisions of
738.8 section 245C.32.

738.9 (g) The commissioner shall forward all information that the commissioner receives under
738.10 section 245C.08 to the entity that submitted the alternative background study request under
738.11 subdivision 2. The commissioner shall not make any eligibility determinations regarding
738.12 background studies conducted under this section.

738.13 Sec. 29. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:

738.14 Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner**
738.15 **of health.** The commissioner shall conduct an alternative background study, including a
738.16 check of state data, and a national criminal history records check of the following individuals.
738.17 For studies under this section, the following persons shall complete a consent form and
738.18 criminal history disclosure form:

738.19 (1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
738.20 licensure as an audiologist or speech-language pathologist or an applicant for initial
738.21 certification as a hearing instrument dispenser who must submit to a background study
738.22 under section 144.0572.

738.23 (2) An applicant for a renewal license or certificate as an audiologist, speech-language
738.24 pathologist, or hearing instrument dispenser who was licensed or obtained a certificate
738.25 before January 1, 2018.

738.26 Sec. 30. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision
738.27 to read:

738.28 Subd. 8. **Study submitted.** The entity with which the background study subject is seeking
738.29 affiliation shall initiate the background study in the NETStudy 2.0 system.

739.1 Sec. 31. Minnesota Statutes 2022, section 245C.07, is amended to read:

739.2 **245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.**

739.3 (a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other
739.4 entity owns multiple programs or services that are licensed by the Department of Human
739.5 Services, Department of Health, or Department of Corrections, only one background study
739.6 is required for an individual who provides direct contact services in one or more of the
739.7 licensed programs or services if:

739.8 (1) the license holder designates one individual with one address and telephone number
739.9 as the person to receive sensitive background study information for the multiple licensed
739.10 programs or services that depend on the same background study; and

739.11 (2) the individual designated to receive the sensitive background study information is
739.12 capable of determining, upon request of the department, whether a background study subject
739.13 is providing direct contact services in one or more of the license holder's programs or services
739.14 and, if so, at which location or locations.

739.15 (b) When a license holder maintains background study compliance for multiple licensed
739.16 programs according to paragraph (a), and one or more of the licensed programs closes, the
739.17 license holder shall immediately notify the commissioner which staff must be transferred
739.18 to an active license so that the background studies can be electronically paired with the
739.19 license holder's active program.

739.20 (c) When a background study is being initiated by a licensed program or service or a
739.21 foster care provider that is also licensed under chapter 144G, a study subject affiliated with
739.22 multiple licensed programs or services may attach to the background study form a cover
739.23 letter indicating the additional names of the programs or services, addresses, and background
739.24 study identification numbers.

739.25 When the commissioner receives a notice, the commissioner shall notify each program
739.26 or service identified by the background study subject of the study results.

739.27 The background study notice the commissioner sends to the subsequent agencies shall
739.28 satisfy those programs' or services' responsibilities for initiating a background study on that
739.29 individual.

739.30 (d) If a background study was conducted on an individual related to child foster care
739.31 and the requirements under paragraph (a) are met, the background study is transferable
739.32 across all licensed programs. If a background study was conducted on an individual under

740.1 a license other than child foster care and the requirements under paragraph (a) are met, the
740.2 background study is transferable to all licensed programs except child foster care.

740.3 (e) The provisions of this section that allow a single background study in one or more
740.4 licensed programs or services do not apply to background studies submitted by adoption
740.5 agencies, supplemental nursing services agencies, personnel pool agencies, educational
740.6 programs, professional services agencies, temporary personnel agencies, and unlicensed
740.7 personal care provider organizations.

740.8 (f) For an entity operating under NETStudy 2.0, the entity's active roster must be the
740.9 system used to document when a background study subject is affiliated with multiple entities.
740.10 For a background study to be transferable:

740.11 (1) the background study subject must be on and moving to a roster for which the person
740.12 designated to receive sensitive background study information is the same; and

740.13 (2) the same entity must own or legally control both the roster from which the transfer
740.14 is occurring and the roster to which the transfer is occurring. For an entity that holds or
740.15 controls multiple licenses, or unlicensed personal care provider organizations, there must
740.16 be a common highest level entity that has a legally identifiable structure that can be verified
740.17 through records available from the secretary of state.

740.18 Sec. 32. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

740.19 Subdivision 1. **Board determines disciplinary or corrective action.** ~~(a)~~ The
740.20 commissioner shall notify a health-related licensing board as defined in section 214.01,
740.21 subdivision 2, if the commissioner determines that an individual who is licensed by the
740.22 health-related licensing board and who is included on the board's roster list provided in
740.23 accordance with subdivision 3a is responsible for substantiated maltreatment under section
740.24 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification,
740.25 the health-related licensing board shall make a determination as to whether to impose
740.26 disciplinary or corrective action under chapter 214.

740.27 ~~(b) This section does not apply to a background study of an individual regulated by a~~
740.28 ~~health-related licensing board if the individual's study is related to child foster care, adult~~
740.29 ~~foster care, or family child care licensure.~~

740.30 Sec. 33. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

740.31 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the
740.32 following information regarding the background study subject:

741.1 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

741.2 (2) information from the child abuse and neglect registry for any state in which the
741.3 subject has resided for the past five years; and

741.4 (3) information from national crime information databases, when required under section
741.5 245C.08.

741.6 (b) The commissioner shall provide any information collected under this subdivision to
741.7 the county or private agency that initiated the background study. The commissioner shall
741.8 also provide the agency:

741.9 ~~(1) with~~ a notice whether the information collected shows that the subject of the
741.10 background study has a conviction listed in United States Code, title 42, section
741.11 671(a)(20)(A); ~~and.~~

741.12 ~~(2) for background studies conducted under subdivision 1, paragraph (a), the date of all~~
741.13 ~~adoption-related background studies completed on the subject by the commissioner after~~
741.14 ~~June 30, 2007, and the name of the county or private agency that initiated the adoption-related~~
741.15 ~~background study.~~

741.16 Sec. 34. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

741.17 Subd. 9. **Behavior guidance.** The certified center must ensure that staff and volunteers
741.18 use positive behavior guidance and do not subject children to:

741.19 (1) corporal punishment, including but not limited to rough handling, shoving, hair
741.20 pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;

741.21 (2) humiliation;

741.22 (3) abusive language;

741.23 (4) the use of mechanical restraints, including tying;

741.24 (5) the use of physical restraints other than to physically hold a child when containment
741.25 is necessary to protect a child or others from harm; ~~or~~

741.26 (6) prone restraints, as prohibited by section 245A.211; or

741.27 ~~(6)~~ (7) the withholding or forcing of food and other basic needs.

742.1 Sec. 35. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision
742.2 to read:

742.3 Subd. 3. **Authorized uses of grant funds.** Grant funds may be used for but are not
742.4 limited to the following:

742.5 (1) increasing access to home and community-based services for an individual;

742.6 (2) improving caregiver-child relationships and aiding progress toward treatment goals,
742.7 including support for the individual to return to live in their home; and

742.8 (3) reducing emergency department visits.

742.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

742.10 Sec. 36. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision
742.11 to read:

742.12 Subd. 4. **Outcomes.** Program evaluation is based on but not limited to the following
742.13 criteria:

742.14 (1) expediting discharges for individuals who no longer need hospital level of care;

742.15 (2) individuals obtaining and retaining housing, including successfully returning to live
742.16 with support in their home;

742.17 (3) individuals maintaining community living by diverting admission to Anoka Metro
742.18 Regional Treatment Center and Forensic Mental Health Program;

742.19 (4) reducing recidivism rates of individuals returning to state institutions; and

742.20 (5) individuals' ability to live in the least restrictive community setting.

742.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

742.22 Sec. 37. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

742.23 Subd. 1a. **Administrative reconsideration.** Notwithstanding section 256B.04,
742.24 subdivision 15, the commissioner shall establish an administrative reconsideration process
742.25 for appeals of inpatient hospital services determined to be medically unnecessary. A
742.26 physician, advanced practice registered nurse, physician assistant, or hospital may request
742.27 a reconsideration of the decision that inpatient hospital services are not medically necessary
742.28 by submitting a written request for review to the commissioner within ~~30~~ 45 calendar days
742.29 after receiving the date the notice of the decision was mailed. The request for reconsideration
742.30 process shall take place prior to the procedures of subdivision 1b and shall be conducted

743.1 must be reviewed by the at least one medical review agent that is independent of the case
743.2 under reconsideration. The medical review agent shall make a recommendation to the
743.3 commissioner. The commissioner's decision on reconsideration is final and not subject to
743.4 appeal under chapter 14.

743.5 Sec. 38. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

743.6 Subd. 1b. **Appeal of reconsideration.** ~~Notwithstanding section 256B.72, the~~
743.7 ~~commissioner may recover inpatient hospital payments for services that have been determined~~
743.8 ~~to be medically unnecessary after the reconsideration and determinations. A physician,~~
743.9 ~~advanced practice registered nurse, physician assistant, or hospital may appeal the result of~~
743.10 ~~the reconsideration process by submitting a written request for review to the commissioner~~
743.11 ~~within 30 days after receiving notice of the action. The commissioner shall review the~~
743.12 ~~medical record and information submitted during the reconsideration process and the medical~~
743.13 ~~review agent's basis for the determination that the services were not medically necessary~~
743.14 ~~for inpatient hospital services. The commissioner shall issue an order upholding or reversing~~
743.15 ~~the decision of the reconsideration process based on the review. The commissioner's decision~~
743.16 under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.

743.17 Sec. 39. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision
743.18 to read:

743.19 Subd. 7a. **Medical review agent.** "Medical review agent" means the representative of
743.20 the commissioner who is authorized by the commissioner to administer medical record
743.21 reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision
743.22 1a; and perform other functions as stipulated in the terms of the agent's contract with the
743.23 department. Medical records reviews and administrative reconsiderations will be performed
743.24 by medical professionals within their scope of expertise, including but not limited to
743.25 physicians, physician assistants, advanced practice registered nurses, and registered nurses.
743.26 The medical professional performing the review or reconsideration must be on staff with
743.27 the medical review agent, in good standing, and licensed to practice in the state where the
743.28 medical professional resides.

743.29 Sec. 40. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

743.30 Subd. 15. **Utilization review.** (a) Establish on a statewide basis a new program to
743.31 safeguard against unnecessary or inappropriate use of medical assistance services, against
743.32 excess payments, against unnecessary or inappropriate hospital admissions or lengths of
743.33 stay, and against underutilization of services in prepaid health plans, long-term care facilities

744.1 or any health care delivery system subject to fixed rate reimbursement. In implementing
744.2 the program, the state agency shall utilize both prepayment and postpayment review systems
744.3 to determine if utilization is reasonable and necessary. The determination of whether services
744.4 are reasonable and necessary shall be made by the commissioner in consultation with a
744.5 professional services advisory group or health care consultant appointed by the commissioner.

744.6 (b) Contracts entered into for purposes of meeting the requirements of this subdivision
744.7 shall not be subject to the set-aside provisions of chapter 16C.

744.8 (c) A recipient aggrieved by the commissioner's termination of services or denial of
744.9 future services may appeal pursuant to section 256.045. Unless otherwise provided by law,
744.10 a vendor aggrieved by the commissioner's determination that services provided were not
744.11 reasonable or necessary may appeal pursuant to the contested case procedures of chapter
744.12 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving
744.13 the commissioner's notice. The appeal request shall specify each disputed item, the reason
744.14 for the dispute, an estimate of the dollar amount involved for each disputed item, the
744.15 computation that the vendor believes is correct, the authority in statute or rule upon which
744.16 the vendor relies for each disputed item, the name and address of the person or firm with
744.17 whom contacts may be made regarding the appeal, and other information required by the
744.18 commissioner.

744.19 (d) The commissioner may select providers to provide case management services to
744.20 recipients who use health care services inappropriately or to recipients who are eligible for
744.21 other managed care projects. The providers shall be selected based upon criteria that may
744.22 include a comparison with a peer group of providers related to the quality, quantity, or cost
744.23 of health care services delivered or a review of sanctions previously imposed by health care
744.24 services programs or the provider's professional licensing board.

744.25 Sec. 41. Minnesota Statutes 2022, section 256B.056, is amended by adding a subdivision
744.26 to read:

744.27 Subd. 5d. **Medical assistance room and board rate.** "Medical assistance room and
744.28 board rate" means an amount equal to 81 percent of the federal poverty guideline for a single
744.29 individual living alone in the community less the medical assistance personal needs allowance
744.30 under section 256B.35. The amount of the room and board rate, as defined in section 256I.03,
744.31 subdivision 2, that exceeds the medical assistance room and board rate is considered a
744.32 remedial care cost. A remedial care cost may be used to meet a spenddown obligation under
744.33 this section. The medical assistance room and board rate is to be adjusted on January 1 of
744.34 each year.

745.1 Sec. 42. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

745.2 Subd. 8. **Medical assistance payment for assertive community treatment and**
745.3 **intensive residential treatment services.** (a) Payment for intensive residential treatment
745.4 services and assertive community treatment in this section shall be based on one daily rate
745.5 per provider inclusive of the following services received by an eligible client in a given
745.6 calendar day: all rehabilitative services under this section, staff travel time to provide
745.7 rehabilitative services under this section, and nonresidential crisis stabilization services
745.8 under section 256B.0624.

745.9 (b) Except as indicated in paragraph (c), payment will not be made to more than one
745.10 entity for each client for services provided under this section on a given day. If services
745.11 under this section are provided by a team that includes staff from more than one entity, the
745.12 team must determine how to distribute the payment among the members.

745.13 (c) The commissioner shall determine one rate for each provider that will bill medical
745.14 assistance for residential services under this section and one rate for each assertive community
745.15 treatment provider. If a single entity provides both services, one rate is established for the
745.16 entity's residential services and another rate for the entity's nonresidential services under
745.17 this section. A provider is not eligible for payment under this section without authorization
745.18 from the commissioner. The commissioner shall develop rates using the following criteria:

745.19 (1) the provider's cost for services shall include direct services costs, other program
745.20 costs, and other costs determined as follows:

745.21 (i) the direct services costs must be determined using actual costs of salaries, benefits,
745.22 payroll taxes, and training of direct service staff and service-related transportation;

745.23 (ii) other program costs not included in item (i) must be determined as a specified
745.24 percentage of the direct services costs as determined by item (i). The percentage used shall
745.25 be determined by the commissioner based upon the average of percentages that represent
745.26 the relationship of other program costs to direct services costs among the entities that provide
745.27 similar services;

745.28 (iii) physical plant costs calculated based on the percentage of space within the program
745.29 that is entirely devoted to treatment and programming. This does not include administrative
745.30 or residential space;

745.31 (iv) assertive community treatment physical plant costs must be reimbursed as part of
745.32 the costs described in item (ii); and

746.1 (v) subject to federal approval, up to an additional five percent of the total rate may be
746.2 added to the program rate as a quality incentive based upon the entity meeting performance
746.3 criteria specified by the commissioner;

746.4 (2) actual cost is defined as costs which are allowable, allocable, and reasonable, and
746.5 consistent with federal reimbursement requirements under Code of Federal Regulations,
746.6 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
746.7 Budget Circular Number A-122, relating to nonprofit entities;

746.8 (3) the number of service units;

746.9 (4) the degree to which clients will receive services other than services under this section;
746.10 and

746.11 (5) the costs of other services that will be separately reimbursed.

746.12 (d) The rate for intensive residential treatment services and assertive community treatment
746.13 must exclude the medical assistance room and board rate, as defined in section ~~256I.03~~,
746.14 ~~subdivision 6~~ 256B.056, subdivision 5d, and services not covered under this section, such
746.15 as partial hospitalization, home care, and inpatient services.

746.16 (e) Physician services that are not separately billed may be included in the rate to the
746.17 extent that a psychiatrist, or other health care professional providing physician services
746.18 within their scope of practice, is a member of the intensive residential treatment services
746.19 treatment team. Physician services, whether billed separately or included in the rate, may
746.20 be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning
746.21 given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth
746.22 is used to provide intensive residential treatment services.

746.23 (f) When services under this section are provided by an assertive community treatment
746.24 provider, case management functions must be an integral part of the team.

746.25 (g) The rate for a provider must not exceed the rate charged by that provider for the
746.26 same service to other payors.

746.27 (h) The rates for existing programs must be established prospectively based upon the
746.28 expenditures and utilization over a prior 12-month period using the criteria established in
746.29 paragraph (c). The rates for new programs must be established based upon estimated
746.30 expenditures and estimated utilization using the criteria established in paragraph (c).

746.31 (i) Entities who discontinue providing services must be subject to a settle-up process
746.32 whereby actual costs and reimbursement for the previous 12 months are compared. In the
746.33 event that the entity was paid more than the entity's actual costs plus any applicable

747.1 performance-related funding due the provider, the excess payment must be reimbursed to
 747.2 the department. If a provider's revenue is less than actual allowed costs due to lower
 747.3 utilization than projected, the commissioner may reimburse the provider to recover its actual
 747.4 allowable costs. The resulting adjustments by the commissioner must be proportional to the
 747.5 percent of total units of service reimbursed by the commissioner and must reflect a difference
 747.6 of greater than five percent.

747.7 (j) A provider may request of the commissioner a review of any rate-setting decision
 747.8 made under this subdivision.

747.9 Sec. 43. Minnesota Statutes 2022, section 256B.0625, subdivision 3a, is amended to read:

747.10 Subd. 3a. ~~Sex reassignment surgery~~ Gender-affirming services. ~~Sex reassignment~~
 747.11 ~~surgery is not covered.~~ Medical assistance covers gender-affirming services.

747.12 Sec. 44. Minnesota Statutes 2022, section 256B.064, is amended to read:

747.13 **256B.064 SANCTIONS; MONETARY RECOVERY.**

747.14 Subdivision 1. ~~Terminating payments to ineligible vendors~~ individuals or entities. The
 747.15 commissioner may terminate payments under this chapter to any person or facility that,
 747.16 under applicable federal law or regulation, has been determined to be ineligible for payments
 747.17 under title XIX of the Social Security Act.

747.18 Subd. 1a. ~~Grounds for sanctions against vendors.~~ (a) The commissioner may impose
 747.19 sanctions against ~~a vendor of medical care~~ any individual or entity that receives payments
 747.20 from medical assistance or provides goods or services for which payment is made from
 747.21 medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the
 747.22 provision of ~~medical care~~ goods and services to recipients of public assistance for which
 747.23 payment is made from medical assistance; (2) a pattern of presentment of false or duplicate
 747.24 claims or claims for services not medically necessary; (3) a pattern of making false statements
 747.25 of material facts for the purpose of obtaining greater compensation than that to which the
 747.26 ~~vendor~~ individual or entity is legally entitled; (4) suspension or termination as a Medicare
 747.27 vendor; (5) refusal to grant the state agency access during regular business hours to examine
 747.28 all records necessary to disclose the extent of services provided to program recipients and
 747.29 appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally
 747.30 established under this section; (7) failure to correct errors in the maintenance of health
 747.31 service or financial records for which a fine was imposed or after issuance of a warning by
 747.32 the commissioner; and (8) any reason for which ~~a vendor~~ an individual or entity could be
 747.33 excluded from participation in the Medicare program under section 1128, 1128A, or

748.1 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services
 748.2 for which payment is made from medical assistance includes but is not limited to care and
 748.3 services identified in section 256B.0625 or provided pursuant to any federally approved
 748.4 waiver.

748.5 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
 748.6 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
 748.7 (h).

748.8 Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions
 748.9 for the conduct described in subdivision 1a: suspension or withholding of payments to a
 748.10 ~~vendor~~ an individual or entity and suspending or terminating participation in the program,
 748.11 or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under
 748.12 this section, the commissioner shall consider the nature, chronicity, or severity of the conduct
 748.13 and the effect of the conduct on the health and safety of persons served by the ~~vendor~~
 748.14 individual or entity. The commissioner shall suspend a ~~vendor's~~ an individual's or entity's
 748.15 participation in the program for a minimum of five years if the ~~vendor~~ individual or entity
 748.16 is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion
 748.17 program for an offense related to a provision of a health service under medical assistance,
 748.18 including a federally approved waiver, or health care fraud. Regardless of imposition of
 748.19 sanctions, the commissioner may make a referral to the appropriate state licensing board.

748.20 Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner
 748.21 may obtain monetary recovery from a ~~vendor who~~ an individual or entity that has been
 748.22 improperly paid by the department either as a result of conduct described in subdivision 1a
 748.23 or as a result of a ~~vendor or department~~ an error by the individual or entity submitting the
 748.24 claim or by the department, regardless of whether the error was intentional. Patterns need
 748.25 not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate
 748.26 claims, claims for services not medically necessary, or claims based on false statements.

748.27 (b) The commissioner may obtain monetary recovery using methods including but not
 748.28 limited to the following: assessing and recovering money improperly paid and debiting from
 748.29 future payments any money improperly paid. The commissioner shall charge interest on
 748.30 money to be recovered if the recovery is to be made by installment payments or debits,
 748.31 except when the monetary recovery is of an overpayment that resulted from a department
 748.32 error. The interest charged shall be the rate established by the commissioner of revenue
 748.33 under section 270C.40.

749.1 Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative
749.2 costs from any ~~vendor of medical care or services who~~ individual or entity that willfully
749.3 submits a claim for reimbursement for services that the ~~vendor~~ individual or entity knows,
749.4 or reasonably should have known, is a false representation and that results in the payment
749.5 of public funds for which the ~~vendor~~ individual or entity is ineligible. Billing errors that
749.6 result in unintentional overcharges shall not be grounds for investigative cost recoupment.

749.7 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall
749.8 determine any monetary amounts to be recovered and sanctions to be imposed upon a ~~vendor~~
749.9 ~~of medical care~~ an individual or entity under this section. Except as provided in paragraphs
749.10 (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner
749.11 without prior notice and an opportunity for a hearing, according to chapter 14, on the
749.12 commissioner's proposed action, provided that the commissioner may suspend or reduce
749.13 payment to a ~~vendor of medical care~~ an individual or entity, except a nursing home or
749.14 convalescent care facility, after notice and prior to the hearing if in the commissioner's
749.15 opinion that action is necessary to protect the public welfare and the interests of the program.

749.16 (b) Except when the commissioner finds good cause not to suspend payments under
749.17 Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall
749.18 withhold or reduce payments to a ~~vendor of medical care~~ an individual or entity without
749.19 providing advance notice of such withholding or reduction if either of the following occurs:

749.20 (1) the ~~vendor~~ individual or entity is convicted of a crime involving the conduct described
749.21 in subdivision 1a; or

749.22 (2) the commissioner determines there is a credible allegation of fraud for which an
749.23 investigation is pending under the program. Allegations are considered credible when they
749.24 have an indicium of reliability and the state agency has reviewed all allegations, facts, and
749.25 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of
749.26 fraud is an allegation which has been verified by the state, from any source, including but
749.27 not limited to:

749.28 (i) fraud hotline complaints;

749.29 (ii) claims data mining; and

749.30 (iii) patterns identified through provider audits, civil false claims cases, and law
749.31 enforcement investigations.

750.1 ~~Allegations are considered to be credible when they have an indicia of reliability and~~
 750.2 ~~the state agency has reviewed all allegations, facts, and evidence carefully and acts~~
 750.3 ~~judiciously on a case-by-case basis.~~

750.4 (c) The commissioner must send notice of the withholding or reduction of payments
 750.5 under paragraph (b) within five days of taking such action unless requested in writing by a
 750.6 law enforcement agency to temporarily withhold the notice. The notice must:

750.7 (1) state that payments are being withheld according to paragraph (b);

750.8 (2) set forth the general allegations as to the nature of the withholding action, but need
 750.9 not disclose any specific information concerning an ongoing investigation;

750.10 (3) except in the case of a conviction for conduct described in subdivision 1a, state that
 750.11 the withholding is for a temporary period and cite the circumstances under which withholding
 750.12 will be terminated;

750.13 (4) identify the types of claims to which the withholding applies; and

750.14 (5) inform the ~~vendor~~ individual or entity of the right to submit written evidence for
 750.15 consideration by the commissioner.

750.16 (d) The withholding or reduction of payments will not continue after the commissioner
 750.17 determines there is insufficient evidence of fraud by the ~~vendor~~ individual or entity, or after
 750.18 legal proceedings relating to the alleged fraud are completed, unless the commissioner has
 750.19 sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon
 750.20 conviction for a crime related to the provision, management, or administration of a health
 750.21 service under medical assistance, a payment held pursuant to this section by the commissioner
 750.22 or a managed care organization that contracts with the commissioner under section 256B.035
 750.23 is forfeited to the commissioner or managed care organization, regardless of the amount
 750.24 charged in the criminal complaint or the amount of criminal restitution ordered.

750.25 ~~(d)~~ (e) The commissioner shall suspend or terminate a ~~vendor's~~ an individual's or entity's
 750.26 participation in the program without providing advance notice and an opportunity for a
 750.27 hearing when the suspension or termination is required because of the ~~vendor's~~ individual's
 750.28 or entity's exclusion from participation in Medicare. Within five days of taking such action,
 750.29 the commissioner must send notice of the suspension or termination. The notice must:

750.30 (1) state that suspension or termination is the result of the ~~vendor's~~ individual's or entity's
 750.31 exclusion from Medicare;

750.32 (2) identify the effective date of the suspension or termination; and

751.1 (3) inform the ~~vendor~~ individual or entity of the need to be reinstated to Medicare before
751.2 reapplying for participation in the program.

751.3 ~~(e)~~ (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction
751.4 is to be imposed, a ~~vendor~~ an individual or entity may request a contested case, as defined
751.5 in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal.
751.6 The appeal request must be received by the commissioner no later than 30 days after the
751.7 date the notification of monetary recovery or sanction was mailed to the ~~vendor~~ individual
751.8 or entity. The appeal request must specify:

751.9 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
751.10 involved for each disputed item;

751.11 (2) the computation that the ~~vendor~~ individual or entity believes is correct;

751.12 (3) the authority in statute or rule upon which the ~~vendor~~ individual or entity relies for
751.13 each disputed item;

751.14 (4) the name and address of the person or entity with whom contacts may be made
751.15 regarding the appeal; and

751.16 (5) other information required by the commissioner.

751.17 ~~(f)~~ (g) The commissioner may order a ~~vendor~~ an individual or entity to forfeit a fine for
751.18 failure to fully document services according to standards in this chapter and Minnesota
751.19 Rules, chapter 9505. The commissioner may assess fines if specific required components
751.20 of documentation are missing. The fine for incomplete documentation shall equal 20 percent
751.21 of the amount paid on the claims for reimbursement submitted by the ~~vendor~~ individual or
751.22 entity, or up to \$5,000, whichever is less. If the commissioner determines that a ~~vendor~~ an
751.23 individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota
751.24 Rules, chapter 9505, related to the provision of services to program recipients and the
751.25 submission of claims for payment, the commissioner may order a ~~vendor~~ an individual or
751.26 entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an
751.27 amount of up to \$5,000 or 20 percent of the value of the claims, whichever is greater.

751.28 ~~(g)~~ (h) The ~~vendor~~ individual or entity shall pay the fine assessed on or before the
751.29 payment date specified. If the ~~vendor~~ individual or entity fails to pay the fine, the
751.30 commissioner may withhold or reduce payments and recover the amount of the fine. A
751.31 timely appeal shall stay payment of the fine until the commissioner issues a final order.

751.32 Subd. 3. **Vendor Mandates on prohibited payments.** (a) The commissioner shall
751.33 maintain and publish a list of each excluded individual and entity that was convicted of a

752.1 crime related to the provision, management, or administration of a medical assistance health
 752.2 service, or suspended or terminated under subdivision 2. Medical assistance payments cannot
 752.3 be made by ~~a vendor~~ an individual or entity for items or services furnished either directly
 752.4 or indirectly by an excluded individual or entity, or at the direction of excluded individuals
 752.5 or entities.

752.6 (b) The ~~vendor~~ entity must check the exclusion list on a monthly basis and document
 752.7 the date and time the exclusion list was checked and the name and title of the person who
 752.8 checked the exclusion list. The ~~vendor~~ entity must immediately terminate payments to an
 752.9 individual or entity on the exclusion list.

752.10 (c) ~~A vendor's~~ An entity's requirement to check the exclusion list and to terminate
 752.11 payments to individuals or entities on the exclusion list applies to each individual or entity
 752.12 on the exclusion list, even if the named individual or entity is not responsible for direct
 752.13 patient care or direct submission of a claim to medical assistance.

752.14 (d) ~~A vendor~~ An entity that pays medical assistance program funds to an individual or
 752.15 entity on the exclusion list must refund any payment related to either items or services
 752.16 rendered by an individual or entity on the exclusion list from the date the individual or entity
 752.17 is first paid or the date the individual or entity is placed on the exclusion list, whichever is
 752.18 later, and ~~a vendor~~ an entity may be subject to:

752.19 (1) sanctions under subdivision 2;

752.20 (2) a civil monetary penalty of up to \$25,000 for each determination by the department
 752.21 that the vendor employed or contracted with an individual or entity on the exclusion list;
 752.22 and

752.23 (3) other fines or penalties allowed by law.

752.24 Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2
 752.25 ~~shall be served~~ by certified mail at the address submitted to the department by the ~~vendor~~
 752.26 individual or entity. Service is complete upon mailing. ~~The commissioner shall place an~~
 752.27 ~~affidavit of the certified mailing in the vendor's file as an indication of the address and the~~
 752.28 ~~date of mailing.~~

752.29 (b) The department shall give notice in writing to a recipient placed in the Minnesota
 752.30 restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200.
 752.31 The department shall send the notice ~~shall be sent~~ by first class mail to the recipient's current
 752.32 address on file with the department. A recipient placed in the Minnesota restricted recipient

753.1 program may contest the placement by submitting a written request for a hearing to the
753.2 department within 90 days of the notice being mailed.

753.3 Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report
753.4 is immune from any civil or criminal liability that might otherwise arise from reporting or
753.5 participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's
753.6 or entity's responsibility for an overpayment established under this subdivision.

753.7 (b) A person employed by a lead investigative agency who is conducting or supervising
753.8 an investigation or enforcing the law according to the applicable law or rule is immune from
753.9 any civil or criminal liability that might otherwise arise from the person's actions, if the
753.10 person is acting in good faith and exercising due care.

753.11 (c) For purposes of this subdivision, "person" includes a natural person or any form of
753.12 a business or legal entity.

753.13 (d) After an investigation is complete, the reporter's name must be kept confidential.
753.14 The subject of the report may compel disclosure of the reporter's name only with the consent
753.15 of the reporter or upon a written finding by a district court that the report was false and there
753.16 is evidence that the report was made in bad faith. This subdivision does not alter disclosure
753.17 responsibilities or obligations under the Rules of Criminal Procedure, except that when the
753.18 identity of the reporter is relevant to a criminal prosecution the district court shall conduct
753.19 an in-camera review before determining whether to order disclosure of the reporter's identity.

753.20 Sec. 45. Minnesota Statutes 2022, section 256B.0946, subdivision 6, is amended to read:

753.21 Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this
753.22 section and are not eligible for medical assistance payment as components of children's
753.23 intensive behavioral health services, but may be billed separately:

753.24 (1) inpatient psychiatric hospital treatment;

753.25 (2) mental health targeted case management;

753.26 (3) partial hospitalization;

753.27 (4) medication management;

753.28 (5) children's mental health day treatment services;

753.29 (6) crisis response services under section 256B.0624;

753.30 (7) transportation; and

753.31 (8) mental health certified family peer specialist services under section 256B.0616.

754.1 (b) Children receiving intensive behavioral health services are not eligible for medical
 754.2 assistance reimbursement for the following services while receiving children's intensive
 754.3 behavioral health services:

754.4 (1) psychotherapy and skills training components of children's therapeutic services and
 754.5 supports under section 256B.0943;

754.6 (2) mental health behavioral aide services as defined in section 256B.0943, subdivision
 754.7 1, paragraph (l);

754.8 (3) home and community-based waiver services;

754.9 (4) mental health residential treatment; and

754.10 (5) medical assistance room and board costs rate, as defined in section ~~256I.03,~~

754.11 ~~subdivision 6~~ 256B.056, subdivision 5d.

754.12 Sec. 46. Minnesota Statutes 2022, section 256B.0947, subdivision 7a, is amended to read:

754.13 Subd. 7a. **Noncovered services.** (a) The rate for intensive rehabilitative mental health
 754.14 services does not include medical assistance payment for services in clauses (1) to (7).

754.15 Services not covered under this paragraph may be billed separately:

754.16 (1) inpatient psychiatric hospital treatment;

754.17 (2) partial hospitalization;

754.18 (3) children's mental health day treatment services;

754.19 (4) physician services outside of care provided by a psychiatrist serving as a member of
 754.20 the treatment team;

754.21 (5) medical assistance room and board costs rate, as defined in section ~~256I.03,~~

754.22 ~~subdivision 6~~ 256B.056, subdivision 5d;

754.23 (6) home and community-based waiver services; and

754.24 (7) other mental health services identified in the child's individualized education program.

754.25 (b) The following services are not covered under this section and are not eligible for
 754.26 medical assistance payment while youth are receiving intensive rehabilitative mental health
 754.27 services:

754.28 (1) mental health residential treatment; and

754.29 (2) mental health behavioral aide services, as defined in section 256B.0943, subdivision
 754.30 1, paragraph (l).

755.1 Sec. 47. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

755.2 Subd. 3. **Access to medical records.** The commissioner of human services, with the
755.3 written consent of the recipient, on file with the local welfare agency, shall be allowed
755.4 access in the manner and within the time prescribed by the commissioner to all personal
755.5 medical records of medical assistance recipients solely for the purposes of investigating
755.6 whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a
755.7 cost report or a rate application which is duplicative, erroneous, or false in whole or in part,
755.8 or which results in the vendor obtaining greater compensation than the vendor is legally
755.9 entitled to; or (b) the medical care was medically necessary. When the commissioner is
755.10 investigating a possible overpayment of Medicaid funds, the commissioner must be given
755.11 immediate access without prior notice to the vendor's office during regular business hours
755.12 and to documentation and records related to services provided and submission of claims
755.13 for services provided. The department shall document in writing the need for immediate
755.14 access to records related to a specific investigation. Denying the commissioner access to
755.15 records is cause for the vendor's immediate suspension of payment or termination according
755.16 to section 256B.064. The determination of provision of services not medically necessary
755.17 shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor
755.18 of medical care shall not be subject to any civil or criminal liability for providing access to
755.19 medical records to the commissioner of human services pursuant to this section.

755.20 Sec. 48. Minnesota Statutes 2022, section 256D.02, is amended by adding a subdivision
755.21 to read:

755.22 Subd. 20. **Date of application.** "Date of application" has the meaning given in section
755.23 256P.01, subdivision 2c.

755.24 Sec. 49. Minnesota Statutes 2022, section 256D.07, is amended to read:

755.25 **256D.07 TIME OF PAYMENT OF ASSISTANCE.**

755.26 An applicant for general assistance shall be deemed eligible if the application and the
755.27 verification of the statement on that application demonstrate that the applicant is within the
755.28 eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of
755.29 the commissioner. Any person requesting general assistance shall be permitted by the county
755.30 agency to make an application for assistance as soon as administratively possible and in no
755.31 event later than the fourth day following the date on which assistance is first requested, and
755.32 no county agency shall require that a person requesting assistance appear at the offices of
755.33 the county agency more than once prior to the date on which the person is permitted to make

756.1 the application. ~~The application shall be in writing in the manner and upon the form~~
756.2 ~~prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof~~
756.3 ~~shall contain the following declaration which shall be signed by the applicant: "I declare~~
756.4 ~~that this application has been examined by me and to the best of my knowledge and belief~~
756.5 ~~is a true and correct statement of every material point."~~ Applications must be submitted
756.6 according to section 256P.04, subdivision 1a. On the date that general assistance is first
756.7 requested, the county agency shall inquire and determine whether the person requesting
756.8 assistance is in immediate need of food, shelter, clothing, assistance for necessary
756.9 transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2.
756.10 A person in need of emergency assistance shall be granted emergency assistance immediately,
756.11 and necessary emergency assistance shall continue for up to 30 days following the date of
756.12 application. A determination of an applicant's eligibility for general assistance shall be made
756.13 by the county agency as soon as the required verifications are received by the county agency
756.14 and in no event later than 30 days following the date that the application is made. Any
756.15 verifications required of the applicant shall be reasonable, and the commissioner shall by
756.16 rule establish reasonable verifications. General assistance shall be granted to an eligible
756.17 applicant without the necessity of first securing action by the board of the county agency.
756.18 The first month's grant must be computed to cover the time period starting with the date a
756.19 ~~signed application form is received by the county agency~~ of application or from the date
756.20 that the applicant meets all eligibility factors, whichever occurs later.

756.21 If upon verification and due investigation it appears that the applicant provided false
756.22 information and the false information materially affected the applicant's eligibility for general
756.23 assistance or the amount of the applicant's general assistance grant, the county agency may
756.24 refer the matter to the county attorney. The county attorney may commence a criminal
756.25 prosecution or a civil action for the recovery of any general assistance wrongfully received,
756.26 or both.

756.27 Sec. 50. Minnesota Statutes 2022, section 256I.03, subdivision 15, is amended to read:

756.28 Subd. 15. **Supportive housing.** "Supportive housing" means housing that is not
756.29 time-limited ~~and~~, provides or coordinates services necessary for a resident to maintain
756.30 housing stability, and is not licensed as an assisted living facility under chapter 144G.

757.1 Sec. 51. Minnesota Statutes 2022, section 256I.03, is amended by adding a subdivision
757.2 to read:

757.3 Subd. 16. **Date of application.** "Date of application" has the meaning given in section
757.4 256P.01, subdivision 2b.

757.5 Sec. 52. Minnesota Statutes 2022, section 256I.04, subdivision 2, is amended to read:

757.6 Subd. 2. **Date of eligibility.** An individual who has met the eligibility requirements of
757.7 subdivision 1; shall have a housing support payment made on the individual's behalf from
757.8 the first day of the month ~~in which a signed~~ of the date of application form is received by
757.9 ~~a county agency~~; or the first day of the month in which all eligibility factors have been met,
757.10 whichever is later.

757.11 Sec. 53. Minnesota Statutes 2022, section 256I.06, subdivision 3, is amended to read:

757.12 Subd. 3. **Filing of application.** ~~The county agency must immediately provide an~~
757.13 ~~application form to any person requesting housing support. Application for housing support~~
757.14 ~~must be in writing on a form prescribed by the commissioner.~~ Applications must be submitted
757.15 according to section 256P.04, subdivision 1a. The county agency must determine an
757.16 applicant's eligibility for housing support as soon as the required verifications are received
757.17 by the county agency and within 30 days after a signed application is received by the county
757.18 agency for the aged or blind or within 60 days for people with a disability.

757.19 Sec. 54. Minnesota Statutes 2022, section 256I.09, is amended to read:

757.20 **256I.09 COMMUNITY LIVING INFRASTRUCTURE.**

757.21 The commissioner shall award grants to agencies and multi-Tribal collaboratives through
757.22 an annual competitive process. Grants awarded under this section may be used for: (1)
757.23 outreach to locate and engage people who are homeless or residing in segregated settings
757.24 to screen for basic needs and assist with referral to community living resources; (2) building
757.25 capacity to provide technical assistance and consultation on housing and related support
757.26 service resources for persons with both disabilities and low income; or (3) streamlining the
757.27 administration and monitoring activities related to housing support funds. Agencies may
757.28 collaborate and submit a joint application for funding under this section.

757.29 Sec. 55. Minnesota Statutes 2022, section 256J.08, subdivision 21, is amended to read:

757.30 Subd. 21. **Date of application.** "Date of application" ~~means the date on which the county~~
757.31 ~~agency receives an applicant's application as a signed written application, an application~~

758.1 ~~submitted by telephone, or an application submitted through Internet telepresence~~ has the
 758.2 meaning given in section 256P.01, subdivision 2b.

758.3 Sec. 56. Minnesota Statutes 2022, section 256J.09, subdivision 3, is amended to read:

758.4 Subd. 3. **Submitting application form.** (a) A county agency must offer, in person or
 758.5 by mail, the application forms prescribed by the commissioner as soon as a person makes
 758.6 a written or oral inquiry. At that time, the county agency must:

758.7 (1) inform the person that assistance begins on the date ~~that the~~ of application is received
 758.8 ~~by the county agency either as a signed written application; an application submitted by~~
 758.9 ~~telephone; or an application submitted through Internet telepresence;~~ or on the date that all
 758.10 eligibility criteria are met, whichever is later;

758.11 (2) inform a person that the person may submit the application by telephone or through
 758.12 Internet telepresence;

758.13 (3) inform a person ~~that when the person submits the application by telephone or through~~
 758.14 ~~Internet telepresence, the county agency must receive a signed written application within~~
 758.15 ~~30 days of the date that the person submitted the application by telephone or through Internet~~
 758.16 ~~telepresence~~ of the application submission requirements in section 256P.04, subdivision
 758.17 1a;

758.18 (4) inform the person that any delay in submitting the application will reduce the amount
 758.19 of assistance paid for the month of application;

758.20 (5) inform a person that the person may submit the application before an interview;

758.21 (6) explain the information that will be verified during the application process by the
 758.22 county agency as provided in section 256J.32;

758.23 (7) inform a person about the county agency's average application processing time and
 758.24 explain how the application will be processed under subdivision 5;

758.25 (8) explain how to contact the county agency if a person's application information changes
 758.26 and how to withdraw the application;

758.27 (9) inform a person that the next step in the application process is an interview and what
 758.28 a person must do if the application is approved including, but not limited to, attending
 758.29 orientation under section 256J.45 and complying with employment and training services
 758.30 requirements in sections 256J.515 to 256J.57;

759.1 (10) inform the person that an interview must be conducted. The interview may be
 759.2 conducted face-to-face in the county office or at a location mutually agreed upon, through
 759.3 Internet telepresence, or by telephone;

759.4 (11) explain the child care and transportation services that are available under paragraph
 759.5 (c) to enable caregivers to attend the interview, screening, and orientation; and

759.6 (12) identify any language barriers and arrange for translation assistance during
 759.7 appointments, including, but not limited to, screening under subdivision 3a, orientation
 759.8 under section 256J.45, and assessment under section 256J.521.

759.9 (b) Upon receipt of a signed application, the county agency must stamp the date of receipt
 759.10 on the face of the application. The county agency must process the application within the
 759.11 time period required under subdivision 5. An applicant may withdraw the application at
 759.12 any time by giving written or oral notice to the county agency. The county agency must
 759.13 issue a written notice confirming the withdrawal. The notice must inform the applicant of
 759.14 the county agency's understanding that the applicant has withdrawn the application and no
 759.15 longer wants to pursue it. When, within ten days of the date of the agency's notice, an
 759.16 applicant informs a county agency, in writing, that the applicant does not wish to withdraw
 759.17 the application, the county agency must reinstate the application and finish processing the
 759.18 application.

759.19 (c) Upon a participant's request, the county agency must arrange for transportation and
 759.20 child care or reimburse the participant for transportation and child care expenses necessary
 759.21 to enable participants to attend the screening under subdivision 3a and orientation under
 759.22 section 256J.45.

759.23 Sec. 57. Minnesota Statutes 2022, section 256J.95, subdivision 5, is amended to read:

759.24 Subd. 5. **Submitting application form.** The eligibility date for the diversionary work
 759.25 program begins on the date ~~that the combined~~ of application form (CAF) is received by the
 759.26 ~~county agency either as a signed written application; an application submitted by telephone;~~
 759.27 ~~or an application submitted through Internet telepresence;~~ or on the date that diversionary
 759.28 work program eligibility criteria are met, whichever is later. The county agency must inform
 759.29 an applicant ~~that when the applicant submits the application by telephone or through Internet~~
 759.30 ~~telepresence, the county agency must receive a signed written application within 30 days~~
 759.31 ~~of the date that the applicant submitted the application by telephone or through Internet~~
 759.32 ~~telepresence~~ of the application submission requirements in section 256P.04, subdivision
 759.33 1a. The county agency must inform the applicant that any delay in submitting the application
 759.34 will reduce the benefits paid for the month of application. The county agency must inform

760.1 a person that an application may be submitted before the person has an interview
760.2 appointment. Upon receipt of a signed application, the county agency must stamp the date
760.3 of receipt on the face of the application. The applicant may withdraw the application at any
760.4 time prior to approval by giving written or oral notice to the county agency. The county
760.5 agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing
760.6 a notice confirming the withdrawal.

760.7 Sec. 58. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision
760.8 to read:

760.9 Subd. 2c. **Date of application.** "Date of application" means the date on which the agency
760.10 receives an applicant's application as a signed written application, an application submitted
760.11 by telephone, or an application submitted through Internet telepresence. The child care
760.12 assistance program under chapter 119B is exempt from this definition.

760.13 Sec. 59. Minnesota Statutes 2022, section 256P.04, is amended by adding a subdivision
760.14 to read:

760.15 Subd. 1a. **Application submission.** An agency must offer, in person or by mail, the
760.16 application forms prescribed by the commissioner as soon as a person makes a written or
760.17 oral inquiry about assistance. Applications must be received by the agency as a signed
760.18 written application, an application submitted by telephone, or an application submitted
760.19 through Internet telepresence. When a person submits an application by telephone or through
760.20 Internet telepresence, the agency must receive a signed written application within 30 days
760.21 of the date that the person submitted the application by telephone or through Internet
760.22 telepresence.

760.23 Sec. 60. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

760.24 **Subd. 2a. Procedure; state licensing agency data.** (a) The court shall request the
760.25 commissioner of human services to provide the court within 25 working days of receipt of
760.26 the request with licensing agency data for licenses directly related to the responsibilities of
760.27 a professional fiduciary if the study subject indicates current or prior affiliation from the
760.28 following agencies in Minnesota:

760.29 (1) Lawyers Responsibility Board;

760.30 (2) State Board of Accountancy;

760.31 (3) Board of Social Work;

761.1 (4) Board of Psychology;

761.2 (5) Board of Nursing;

761.3 (6) Board of Medical Practice;

761.4 ~~(7) Department of Education;~~

761.5 ~~(8)~~ (7) Department of Commerce;

761.6 ~~(9)~~ (8) Board of Chiropractic Examiners;

761.7 ~~(10)~~ (9) Board of Dentistry;

761.8 ~~(11)~~ (10) Board of Marriage and Family Therapy;

761.9 ~~(12)~~ (11) Department of Human Services;

761.10 ~~(13)~~ (12) Peace Officer Standards and Training (POST) Board; and

761.11 ~~(14)~~ (13) Professional Educator Licensing and Standards Board.

761.12 (b) The commissioner shall enter into agreements with these agencies to provide the
761.13 commissioner with electronic access to the relevant licensing data, and to provide the
761.14 commissioner with a quarterly list of new sanctions issued by the agency.

761.15 (c) The commissioner shall provide to the court the electronically available data
761.16 maintained in the agency's database, including whether the proposed guardian or conservator
761.17 is or has been licensed by the agency, and if the licensing agency database indicates a
761.18 disciplinary action or a sanction against the individual's license, including a condition,
761.19 suspension, revocation, or cancellation.

761.20 (d) If the proposed guardian or conservator has resided in a state other than Minnesota
761.21 in the previous ten years, licensing agency data under this section shall also include the
761.22 licensing agency data from any other state where the proposed guardian or conservator
761.23 reported to have resided during the previous ten years if the study subject indicates current
761.24 or prior affiliation. If the proposed guardian or conservator has or has had a professional
761.25 license in another state that is directly related to the responsibilities of a professional fiduciary
761.26 from one of the agencies listed under paragraph (a), state licensing agency data shall also
761.27 include data from the relevant licensing agency of that state.

761.28 (e) The commissioner is not required to repeat a search for Minnesota or out-of-state
761.29 licensing data on an individual if the commissioner has provided this information to the
761.30 court within the prior five years.

762.1 (f) The commissioner shall review the information in paragraph (c) at least once every
762.2 four months to determine if an individual who has been studied within the previous five
762.3 years:

762.4 (1) has new disciplinary action or sanction against the individual's license; or

762.5 (2) did not disclose a prior or current affiliation with a Minnesota licensing agency.

762.6 (g) If the commissioner's review in paragraph (f) identifies new information, the
762.7 commissioner shall provide any new information to the court.

762.8 Sec. 61. **REVISOR INSTRUCTION.**

762.9 The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section
762.10 245C.02, in alphabetical order and correct any cross-reference changes that result.

762.11 Sec. 62. **REVISOR INSTRUCTION.**

762.12 The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, sections
762.13 256D.02 and 256I.03, in alphabetical order, excluding the first subdivision in each section,
762.14 and correct any cross-reference changes that result.

762.15 Sec. 63. **REPEALER.**

762.16 (a) Minnesota Statutes 2022, sections 245A.22; 256.9685, subdivisions 1c and 1d;
762.17 256D.63, subdivision 1; and 256I.03, subdivision 6, are repealed.

762.18 (b) Minnesota Statutes 2022, sections 245C.02, subdivision 9; and 245C.301, are repealed.

762.19 (c) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are
762.20 repealed.

762.21 **EFFECTIVE DATE.** Paragraphs (a) and (c) are effective the day following final
762.22 enactment, and paragraph (b) is effective July 1, 2023.

762.23 **ARTICLE 18**

762.24 **CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS**

762.25 Section 1. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
762.26 to read:

762.27 **Subd. 1a. Definitions.** (a) For the purposes of this section, the terms in this subdivision
762.28 have the meanings given.

- 763.1 (b) "Alcohol and drug counselor" has the meaning given in section 245G.11, subdivision
763.2 5.
- 763.3 (c) "Care coordination" means the activities required to coordinate care across settings
763.4 and providers for a person served to ensure seamless transitions across the full spectrum of
763.5 health services. Care coordination includes outreach and engagement; documenting a plan
763.6 of care for medical, behavioral health, and social services and supports in the integrated
763.7 treatment plan; assisting with obtaining appointments; confirming appointments are kept;
763.8 developing a crisis plan; tracking medication; and implementing care coordination agreements
763.9 with external providers. Care coordination may include psychiatric consultation with primary
763.10 care practitioners and with mental health clinical care practitioners.
- 763.11 (d) "Community needs assessment" means an assessment to identify community needs
763.12 and determine the community behavioral health clinic's capacity to address the needs of the
763.13 population being served.
- 763.14 (e) "Comprehensive evaluation" means a person-centered, family-centered, and
763.15 trauma-informed evaluation meeting the requirements of subdivision 4b completed for the
763.16 purposes of diagnosis and treatment planning.
- 763.17 (f) "Designated collaborating organization" means an entity meeting the requirements
763.18 of subdivision 3a with a formal agreement with a CCBHC to furnish CCBHC services.
- 763.19 (g) "Functional assessment" means an assessment of a client's current level of functioning
763.20 relative to functioning that is appropriate for someone the client's age and that meets the
763.21 requirements of subdivision 4a.
- 763.22 (h) "Initial evaluation" means an evaluation completed by a mental health professional
763.23 that gathers and documents information necessary to formulate a preliminary diagnosis and
763.24 begin client services.
- 763.25 (i) "Integrated treatment plan" means a documented plan of care that is person- and
763.26 family-centered and formulated to respond to a client's needs and goals.
- 763.27 (j) "Mental health professional" has the meaning given in section 245I.04, subdivision
763.28 2.
- 763.29 (k) "Mobile crisis services" has the meaning given in section 256B.0624, subdivision
763.30 2.
- 763.31 (l) "Preliminary screening and risk assessment" means a mandatory screening and risk
763.32 assessment that is completed at the first contact with the prospective CCBHC service
763.33 recipient and determines the acuity of client need.

764.1 Sec. 2. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
764.2 read:

764.3 Subd. 2a. **Establishment.** The certified community behavioral health clinic model is an
764.4 integrated payment and service delivery model that uses evidence-based behavioral health
764.5 practices to achieve better outcomes for individuals experiencing behavioral health concerns
764.6 while achieving sustainable rates for providers and economic efficiencies for payors.

764.7 Sec. 3. Minnesota Statutes 2022, section 245.735, subdivision 3, is amended to read:

764.8 Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall
764.9 establish a state certification ~~process~~ and recertification processes for certified community
764.10 behavioral health clinics (CCBHCs) that satisfy all federal requirements necessary for
764.11 CCBHCs certified under this section to be eligible for reimbursement under medical
764.12 assistance, without service area limits based on geographic area or region. The commissioner
764.13 shall consult with CCBHC stakeholders before establishing and implementing changes in
764.14 the certification or recertification process and requirements. ~~Entities that choose to be~~
764.15 ~~CCBHCs must:~~ Any changes to the certification or recertification process or requirements
764.16 must be consistent with the most recently issued Certified Community Behavioral Health
764.17 Clinic Certification Criteria published by the Substance Abuse and Mental Health Services
764.18 Administration. The commissioner must allow a transition period for CCBHCs to meet the
764.19 revised criteria prior to July 1, 2024. The commissioner is authorized to amend the state's
764.20 Medicaid state plan or the terms of the demonstration to comply with federal requirements.

764.21 (b) As part of the state CCBHC certification and recertification processes, the
764.22 commissioner shall provide to entities applying for certification or requesting recertification
764.23 the standard requirements of the community needs assessment and the staffing plan that are
764.24 consistent with the most recently issued Certified Community Behavioral Health Clinic
764.25 Certification Criteria published by the Substance Abuse and Mental Health Services
764.26 Administration.

764.27 (c) The commissioner shall schedule a certification review that includes a site visit within
764.28 90 calendar days of receipt of an application for certification or recertification.

764.29 (d) Entities that choose to be CCBHCs must:

764.30 (1) complete a community needs assessment and complete a staffing plan that is
764.31 responsive to the needs identified in the community needs assessment and update both the
764.32 community needs assessment and the staffing plan no less frequently than every 36 months;

765.1 ~~(1)~~ (2) comply with state licensing requirements and other requirements issued by the
765.2 commissioner;

765.3 (3) employ or contract with a medical director. A medical director must be a physician
765.4 licensed under chapter 147 and either certified by the American Board of Psychiatry and
765.5 Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or
765.6 eligible for board certification in psychiatry. A registered nurse who is licensed under
765.7 sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family
765.8 psychiatric and mental health nursing by a national nurse certification organization may
765.9 serve as the medical director when a CCBHC is unable to employ or contract a qualified
765.10 physician;

765.11 ~~(2)~~ (4) employ or contract for clinic staff who have backgrounds in diverse disciplines,
765.12 including licensed mental health professionals and licensed alcohol and drug counselors,
765.13 and staff who are culturally and linguistically trained to meet the needs of the population
765.14 the clinic serves;

765.15 ~~(3)~~ (5) ensure that clinic services are available and accessible to individuals and families
765.16 of all ages and genders with access on evenings and weekends and that crisis management
765.17 services are available 24 hours per day;

765.18 ~~(4)~~ (6) establish fees for clinic services for individuals who are not enrolled in medical
765.19 assistance using a sliding fee scale that ensures that services to patients are not denied or
765.20 limited due to an individual's inability to pay for services;

765.21 ~~(5)~~ (7) comply with quality assurance reporting requirements and other reporting
765.22 requirements, ~~including any required reporting of encounter data, clinical outcomes data,~~
765.23 ~~and quality data~~ included in the most recently issued Certified Community Behavioral
765.24 Health Clinic Certification Criteria published by the Substance Abuse and Mental Health
765.25 Services Administration;

765.26 ~~(6)~~ (8) provide crisis mental health and substance use services, withdrawal management
765.27 services, emergency crisis intervention services, and stabilization services through existing
765.28 mobile crisis services; screening, assessment, and diagnosis services, including risk
765.29 assessments and level of care determinations; person- and family-centered treatment planning;
765.30 outpatient mental health and substance use services; targeted case management; psychiatric
765.31 rehabilitation services; peer support and counselor services and family support services;
765.32 and intensive community-based mental health services, including mental health services
765.33 for members of the armed forces and veterans. CCBHCs must directly provide the majority

766.1 of these services to enrollees, but may coordinate some services with another entity through
 766.2 a collaboration or agreement, pursuant to ~~paragraph (b)~~ subdivision 3a;

766.3 ~~(7)~~ (9) provide coordination of care across settings and providers to ensure seamless
 766.4 transitions for individuals being served across the full spectrum of health services, including
 766.5 acute, chronic, and behavioral needs. ~~Care coordination may be accomplished through~~
 766.6 ~~partnerships or formal contracts with:~~

766.7 ~~(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified~~
 766.8 ~~health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or~~
 766.9 ~~community-based mental health providers; and~~

766.10 ~~(ii) other community services, supports, and providers, including schools, child welfare~~
 766.11 ~~agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally~~
 766.12 ~~licensed health care and mental health facilities, urban Indian health clinics, Department of~~
 766.13 ~~Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals,~~
 766.14 ~~and hospital outpatient clinics;~~

766.15 ~~(8)~~ (10) be certified as a mental health clinic under section 245I.20;

766.16 ~~(9)~~ (11) comply with standards established by the commissioner relating to CCBHC
 766.17 screenings, assessments, and evaluations that are consistent with this section;

766.18 ~~(10)~~ (12) be licensed to provide substance use disorder treatment under chapter 245G;

766.19 ~~(11)~~ (13) be certified to provide children's therapeutic services and supports under section
 766.20 256B.0943;

766.21 ~~(12)~~ (14) be certified to provide adult rehabilitative mental health services under section
 766.22 256B.0623;

766.23 ~~(13)~~ (15) be enrolled to provide mental health crisis response services under section
 766.24 256B.0624;

766.25 ~~(14)~~ (16) be enrolled to provide mental health targeted case management under section
 766.26 256B.0625, subdivision 20;

766.27 ~~(15) comply with standards relating to mental health case management in Minnesota~~
 766.28 ~~Rules, parts 9520.0900 to 9520.0926;~~

766.29 ~~(16)~~ (17) provide services that comply with the evidence-based practices described in
 766.30 ~~paragraph (e)~~ subdivision 3d; and

767.1 ~~(17) comply with standards relating to~~ (18) provide peer services under as defined in
767.2 sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8), as applicable when
767.3 peer services are provided; and

767.4 (19) inform all clients upon initiation of care of the full array of services available under
767.5 the CCBHC model.

767.6 ~~(b) If a certified CCBHC is unable to provide one or more of the services listed in~~
767.7 ~~paragraph (a), clauses (6) to (17), the CCBHC may contract with another entity that has the~~
767.8 ~~required authority to provide that service and that meets the following criteria as a designated~~
767.9 ~~collaborating organization:~~

767.10 ~~(1) the entity has a formal agreement with the CCBHC to furnish one or more of the~~
767.11 ~~services under paragraph (a), clause (6);~~

767.12 ~~(2) the entity provides assurances that it will provide services according to CCBHC~~
767.13 ~~service standards and provider requirements;~~

767.14 ~~(3) the entity agrees that the CCBHC is responsible for coordinating care and has clinical~~
767.15 ~~and financial responsibility for the services that the entity provides under the agreement;~~
767.16 ~~and~~

767.17 ~~(4) the entity meets any additional requirements issued by the commissioner.~~

767.18 ~~(e) Notwithstanding any other law that requires a county contract or other form of county~~
767.19 ~~approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets~~
767.20 ~~CCBHC requirements may receive the prospective payment under section 256B.0625,~~
767.21 ~~subdivision 5m, for those services without a county contract or county approval. As part of~~
767.22 ~~the certification process in paragraph (a), the commissioner shall require a letter of support~~
767.23 ~~from the CCBHC's host county confirming that the CCBHC and the county or counties it~~
767.24 ~~serves have an ongoing relationship to facilitate access and continuity of care, especially~~
767.25 ~~for individuals who are uninsured or who may go on and off medical assistance.~~

767.26 ~~(d) When the standards listed in paragraph (a) or other applicable standards conflict or~~
767.27 ~~address similar issues in duplicative or incompatible ways, the commissioner may grant~~
767.28 ~~variances to state requirements if the variances do not conflict with federal requirements~~
767.29 ~~for services reimbursed under medical assistance. If standards overlap, the commissioner~~
767.30 ~~may substitute all or a part of a licensure or certification that is substantially the same as~~
767.31 ~~another licensure or certification. The commissioner shall consult with stakeholders, as~~
767.32 ~~described in subdivision 4, before granting variances under this provision. For the CCBHC~~
767.33 ~~that is certified but not approved for prospective payment under section 256B.0625,~~

768.1 ~~subdivision 5m, the commissioner may grant a variance under this paragraph if the variance~~
768.2 ~~does not increase the state share of costs.~~

768.3 ~~(e) The commissioner shall issue a list of required evidence-based practices to be~~
768.4 ~~delivered by CCBHCs, and may also provide a list of recommended evidence-based practices.~~
768.5 ~~The commissioner may update the list to reflect advances in outcomes research and medical~~
768.6 ~~services for persons living with mental illnesses or substance use disorders. The commissioner~~
768.7 ~~shall take into consideration the adequacy of evidence to support the efficacy of the practice,~~
768.8 ~~the quality of workforce available, and the current availability of the practice in the state.~~
768.9 ~~At least 30 days before issuing the initial list and any revisions, the commissioner shall~~
768.10 ~~provide stakeholders with an opportunity to comment.~~

768.11 ~~(f) The commissioner shall recertify CCBHCs at least every three years. The~~
768.12 ~~commissioner shall establish a process for decertification and shall require corrective action,~~
768.13 ~~medical assistance repayment, or decertification of a CCBHC that no longer meets the~~
768.14 ~~requirements in this section or that fails to meet the standards provided by the commissioner~~
768.15 ~~in the application and certification process.~~

768.16 Sec. 4. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
768.17 read:

768.18 Subd. 3a. **Designated collaborating organizations.** If a certified CCBHC is unable to
768.19 provide one or more of the services listed in subdivision 3, paragraph (d), clauses (8) to
768.20 (19), the CCBHC may contract with another entity that has the required authority to provide
768.21 that service and that meets the requirements of the most recently issued Certified Community
768.22 Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental
768.23 Health Services Administration.

768.24 Sec. 5. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
768.25 read:

768.26 Subd. 3b. **Exemptions to host county approval.** Notwithstanding any other law that
768.27 requires a county contract or other form of county approval for a service listed in subdivision
768.28 3, paragraph (d), clause (8), a CCBHC that meets the requirements of this section may
768.29 receive the prospective payment under section 256B.0625, subdivision 5m, for that service
768.30 without a county contract or county approval.

769.1 Sec. 6. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
769.2 read:

769.3 Subd. 3c. **Variances.** When the standards listed in this section or other applicable
769.4 standards conflict or address similar issues in duplicative or incompatible ways, the
769.5 commissioner may grant variances to state requirements if the variances do not conflict
769.6 with federal requirements for services reimbursed under medical assistance. If standards
769.7 overlap, the commissioner may substitute all or a part of a licensure or certification that is
769.8 substantially the same as another licensure or certification. The commissioner shall consult
769.9 with stakeholders before granting variances under this provision. For a CCBHC that is
769.10 certified but not approved for prospective payment under section 256B.0625, subdivision
769.11 5m, the commissioner may grant a variance under this paragraph if the variance does not
769.12 increase the state share of costs.

769.13 Sec. 7. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
769.14 read:

769.15 Subd. 3d. **Evidence-based practices.** The commissioner shall issue a list of required
769.16 evidence-based practices to be delivered by CCBHCs and may also provide a list of
769.17 recommended evidence-based practices. The commissioner may update the list to reflect
769.18 advances in outcomes research and medical services for persons living with mental illnesses
769.19 or substance use disorders. The commissioner shall take into consideration the adequacy
769.20 of evidence to support the efficacy of the practice across cultures and ages, the workforce
769.21 available, and the current availability of the practice in the state. At least 30 days before
769.22 issuing the initial list or issuing any revisions, the commissioner shall provide stakeholders
769.23 with an opportunity to comment.

769.24 Sec. 8. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
769.25 read:

769.26 Subd. 3e. **Recertification.** A CCBHC must apply for recertification every 36 months.

769.27 Sec. 9. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to
769.28 read:

769.29 Subd. 3f. **Notice and opportunity for correction.** (a) The commissioner shall provide
769.30 a formal written notice to an applicant for CCBHC certification outlining the determination
769.31 of the application and process for applicable and necessary corrective action required of the

770.1 applicant signed by the commissioner or appropriate division director to applicant entities
770.2 within 45 calendar days of the site visit.

770.3 (b) The commissioner may reject an application if the applicant entity does not take all
770.4 corrective actions specified in the notice and notify the commissioner that the applicant
770.5 entity has done so within 60 calendar days.

770.6 (c) The commissioner must send the applicant entity a final decision on the corrected
770.7 application within 45 calendar days of the applicant entity's notice to the commissioner that
770.8 the applicant has taken the required corrective actions.

770.9 Sec. 10. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
770.10 to read:

770.11 Subd. 3g. **Decertification process.** The commissioner must establish a process for
770.12 decertification. The commissioner must require corrective action, medical assistance
770.13 repayment, or decertification of a CCBHC that no longer meets the requirements in this
770.14 section or that fails to meet the standards provided by the commissioner in the application,
770.15 certification, or recertification process.

770.16 Sec. 11. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
770.17 to read:

770.18 Subd. 3h. **Minimum staffing standards.** A CCBHC must meet minimum staffing
770.19 requirements required by the most recently issued Certified Community Behavioral Health
770.20 Clinic Certification Criteria published by the Substance Abuse and Mental Health Services
770.21 Administration.

770.22 Sec. 12. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
770.23 to read:

770.24 Subd. 4a. **Functional assessment requirements.** (a) For adults, a functional assessment
770.25 may be completed using a Daily Living Activities-20 tool.

770.26 (b) Notwithstanding any law to the contrary, a functional assessment performed by a
770.27 CCBHC that meets the requirements of this subdivision satisfies the requirements in:

770.28 (1) section 256B.0623, subdivision 9;

770.29 (2) section 245.4711, subdivision 3; and

770.30 (3) Minnesota Rules, part 9520.0914, subpart 2.

771.1 Sec. 13. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
771.2 to read:

771.3 Subd. 4b. Requirements for comprehensive evaluations. (a) A comprehensive
771.4 evaluation must be completed for all new clients within 60 calendar days following the
771.5 preliminary screening and risk assessment.

771.6 (b) Only a mental health professional may complete a comprehensive evaluation. The
771.7 mental health professional must consult with an alcohol and drug counselor when substance
771.8 use disorder services are deemed clinically appropriate.

771.9 (c) The comprehensive evaluation must consist of the synthesis of existing information
771.10 including but not limited to an external diagnostic assessment, crisis assessment, preliminary
771.11 screening and risk assessment, initial evaluation, and primary care screenings.

771.12 (d) A comprehensive evaluation must be completed in the cultural context of the client
771.13 and updated to reflect changes in the client's conditions and at the client's request or when
771.14 the client's condition no longer meets the existing diagnosis.

771.15 (e) The psychiatric evaluation and management service fulfills requirements for the
771.16 comprehensive evaluation when a client of a CCBHC is receiving exclusively psychiatric
771.17 evaluation and management services. The CCBHC shall complete the comprehensive
771.18 evaluation within 60 calendar days of a client's referral for additional CCBHC services.

771.19 (f) For clients engaging exclusively in substance use disorder services at the CCBHC,
771.20 a substance use disorder comprehensive assessment as defined in section 245G.05,
771.21 subdivision 2, that is completed within 60 calendar days of service initiation shall fulfill
771.22 requirements of the comprehensive evaluation.

771.23 (g) Notwithstanding any law to the contrary, a comprehensive evaluation performed by
771.24 a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

771.25 (1) section 245.462, subdivision 20, paragraph (c);

771.26 (2) section 245.4711, subdivision 2, paragraph (b);

771.27 (3) section 245.4871, subdivision 6;

771.28 (4) section 245.4881, subdivision 2, paragraph (c);

771.29 (5) section 245G.04, subdivision 1;

771.30 (6) section 245G.05, subdivision 1;

771.31 (7) section 245I.10, subdivisions 4 to 6;

772.1 (8) section 256B.0623, subdivisions 3, clause (4), 8, and 10;

772.2 (9) section 256B.0943, subdivisions 3 and 6, paragraph (b), clause (1);

772.3 (10) Minnesota Rules, part 9520.0909, subpart 1;

772.4 (11) Minnesota Rules, part 9520.0910, subparts 1 and 2; and

772.5 (12) Minnesota Rules, part 9520.0914, subpart 2.

772.6 Sec. 14. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
772.7 to read:

772.8 Subd. 4c. **Requirements for initial evaluations.** (a) A CCBHC must complete either
772.9 an initial evaluation or a comprehensive evaluation as required by the most recently issued
772.10 Certified Community Behavioral Health Clinic Certification Criteria published by the
772.11 Substance Abuse and Mental Health Services Administration.

772.12 (b) Notwithstanding any law to the contrary, an initial evaluation performed by a CCBHC
772.13 that meets the requirements of this subdivision satisfies the requirements in:

772.14 (1) section 245.4711, subdivision 4;

772.15 (2) section 245.4881, subdivisions 3 and 4;

772.16 (3) section 245I.10, subdivision 5;

772.17 (4) section 256B.0623, subdivisions 3, clause (4), 8, and 10;

772.18 (5) section 256B.0943, subdivisions 3 and 6, paragraph (b), clauses (1) and (2);

772.19 (6) Minnesota Rules, part 9520.0909, subpart 1;

772.20 (7) Minnesota Rules, part 9520.0910, subpart 1;

772.21 (8) Minnesota Rules, part 9520.0914, subpart 2;

772.22 (9) Minnesota Rules, part 9520.0918, subparts 1 and 2; and

772.23 (10) Minnesota Rules, part 9520.0919, subpart 2.

772.24 Sec. 15. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
772.25 to read:

772.26 Subd. 4d. **Requirements for integrated treatment plans.** (a) An integrated treatment
772.27 plan must be completed within 60 calendar days following the preliminary screening and
772.28 risk assessment and updated no less frequently than every six months or when the client's
772.29 circumstances change.

773.1 (b) Only a mental health professional may complete an integrated treatment plan. The
773.2 mental health professional must consult with an alcohol and drug counselor when substance
773.3 use disorder services are deemed clinically appropriate. An alcohol and drug counselor may
773.4 approve the integrated treatment plan. The integrated treatment plan must be developed
773.5 through a shared decision-making process with the client, the client's support system if the
773.6 client chooses, or, for children, with the family or caregivers.

773.7 (c) The integrated treatment plan must:

773.8 (1) use the ASAM 6 dimensional framework; and

773.9 (2) incorporate prevention, medical and behavioral health needs, and service delivery.

773.10 (d) The psychiatric evaluation and management service fulfills requirements for the
773.11 integrated treatment plan when a client of a CCBHC is receiving exclusively psychiatric
773.12 evaluation and management services. The CCBHC must complete an integrated treatment
773.13 plan within 60 calendar days of a client's referral for additional CCBHC services.

773.14 (e) Notwithstanding any law to the contrary, an integrated treatment plan developed by
773.15 a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

773.16 (1) section 245G.06, subdivision 1;

773.17 (2) section 245G.09, subdivision 3, clause (6);

773.18 (3) section 245I.10, subdivisions 7 and 8;

773.19 (4) section 256B.0623, subdivision 10; and

773.20 (5) section 256B.0943, subdivision 6, paragraph (b), clause (2).

773.21 Sec. 16. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
773.22 to read:

773.23 Subd. 4e. **Additional licensing and certification requirements.** (a) This subdivision
773.24 applies to programs and clinics that are a part of a CCBHC.

773.25 (b) The requirements for initial evaluations under subdivision 4c, comprehensive
773.26 evaluations under subdivision 4b, and integrated treatment plans under subdivision 4d are
773.27 incorporated into the licensing requirements for substance use disorder treatment programs
773.28 under chapter 245G.

773.29 (c) The requirements for initial evaluations under subdivision 4c, comprehensive
773.30 evaluations under subdivision 4b, and integrated treatment plans under subdivision 4d are

774.1 incorporated into the certification requirements for mental health clinics under section
774.2 245I.20.

774.3 (d) The Department of Human Services licensing division will review, inspect, and
774.4 investigate for compliance with the requirements in subdivisions 4b to 4d for programs or
774.5 clinics subject to this subdivision.

774.6 Sec. 17. Minnesota Statutes 2022, section 245.735, subdivision 5, is amended to read:

774.7 Subd. 5. **Information systems support.** The commissioner and the state chief information
774.8 officer shall provide information systems support to the projects as necessary to comply
774.9 with state and federal requirements, including data reporting requirements.

774.10 Sec. 18. Minnesota Statutes 2022, section 245.735, subdivision 6, is amended to read:

774.11 Subd. 6. ~~Demonstration~~ **Section 223 of the Protecting Access to Medicare Act**
774.12 **entities.** (a) The commissioner ~~may operate~~ must request federal approval to participate in
774.13 the demonstration program established by section 223 of the Protecting Access to Medicare
774.14 Act and, if approved, to continue to participate in the demonstration program as long as
774.15 federal funding for the demonstration program remains available from the United States
774.16 Department of Health and Human Services. To the extent practicable, the commissioner
774.17 shall align the requirements of the demonstration program with the requirements under this
774.18 section for CCBHCs receiving medical assistance reimbursement under the authority of the
774.19 state's Medicaid state plan. A CCBHC may not apply to participate as a billing provider in
774.20 both the CCBHC federal demonstration and the benefit for CCBHCs under the medical
774.21 assistance program.

774.22 (b) The commissioner must follow federal payment guidance, including payment of the
774.23 CCBHC daily bundled rate for services rendered by CCBHCs to individuals who are dually
774.24 eligible for Medicare and medical assistance when Medicare is the primary payer for the
774.25 service. Services provided by a CCBHC operating under the authority of the state's Medicaid
774.26 state plan will not receive the prospective payment system rate for services rendered by
774.27 CCBHCs to individuals who are dually eligible for Medicare and medical assistance when
774.28 Medicare is the primary payer for the service.

774.29 (c) Payment for services rendered by CCBHCs to individuals who have commercial
774.30 insurance as the primary payer and medical assistance as secondary payer is subject to the
774.31 requirements under section 256B.37. Services provided by a CCBHC operating under the
774.32 authority of the 223 demonstration or the state's Medicaid state plan will not receive the

775.1 prospective payment system rate for services rendered by CCBHCs to individuals who have
775.2 commercial insurance as the primary payer and medical assistance as the secondary payer.

775.3 **EFFECTIVE DATE.** Paragraph (a) is effective upon federal approval to return to the
775.4 demonstration under section 223 of the Protecting Access to Medicare Act. The commissioner
775.5 of human services shall inform the revisor of statutes when federal approval is obtained.
775.6 Paragraphs (b) and (c) are effective the day following final enactment.

775.7 Sec. 19. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
775.8 to read:

775.9 Subd. 7. **Addition of CCBHCs to section 223 state demonstration programs.** (a) If
775.10 the commissioner's request under subdivision 6 to reenter the demonstration program
775.11 established by section 223 of the Protecting Access to Medicare Act is approved, upon
775.12 reentry the commissioner must follow all federal guidance on the addition of CCBHCs to
775.13 section 223 state demonstration programs.

775.14 (b) Prior to participating in the demonstration, a CCBHC must meet the demonstration
775.15 certification criteria and prospective payment system guidance in effect at that time and be
775.16 certified as a CCBHC by the state. The Substance Abuse and Mental Health Services
775.17 Administration attestation process for CCBHC expansion grants is not sufficient to constitute
775.18 state certification. CCBHCs newly added to the demonstration must participate in all aspects
775.19 of the state demonstration program, including but not limited to quality measurement and
775.20 reporting, evaluation activities, and state CCBHC demonstration program requirements,
775.21 such as use of state-specified evidence-based practices. A newly added CCBHC must report
775.22 on quality measures before its first full demonstration year if it joined the demonstration
775.23 program in calendar year 2023 out of alignment with the state's demonstration year cycle.
775.24 A CCBHC may provide services in multiple locations and in community-based settings
775.25 subject to federal rules of the 223 demonstration authority or Medicaid state plan authority.

775.26 (c) If a CCBHC meets the definition of a satellite facility, as defined by the Substance
775.27 Abuse and Mental Health Services Administration, and was established after April 1, 2014,
775.28 the CCBHC cannot receive payment as a part of the demonstration program.

775.29 **EFFECTIVE DATE.** This section is effective contingent on federal approval to return
775.30 to the demonstration under section 223 of the Protecting Access to Medicare Act. The
775.31 commissioner of human services shall inform the revisor of statutes when federal approval
775.32 is obtained.

776.1 Sec. 20. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision
776.2 to read:

776.3 **Subd. 8. Grievance procedures required. CCBHCs and designated collaborating**
776.4 **organizations must allow all service recipients access to grievance procedures, which must**
776.5 **satisfy the minimum requirements of medical assistance and other grievance requirements**
776.6 **such as those that may be mandated by relevant accrediting entities.**

776.7 Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 5m, is amended to read:

776.8 **Subd. 5m. Certified community behavioral health clinic services.** (a) Medical
776.9 assistance covers services provided by a not-for-profit certified community behavioral health
776.10 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

776.11 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
776.12 eligible service is delivered using the CCBHC daily bundled rate system for medical
776.13 assistance payments as described in paragraph (c). The commissioner shall include a quality
776.14 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
776.15 There is no county share for medical assistance services when reimbursed through the
776.16 CCBHC daily bundled rate system.

776.17 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
776.18 payments under medical assistance meets the following requirements:

776.19 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
776.20 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
776.21 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
776.22 payment rate, total annual visits include visits covered by medical assistance and visits not
776.23 covered by medical assistance. Allowable costs include but are not limited to the salaries
776.24 and benefits of medical assistance providers; the cost of CCBHC services provided under
776.25 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
776.26 insurance or supplies needed to provide CCBHC services;

776.27 (2) payment shall be limited to one payment per day per medical assistance enrollee
776.28 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
776.29 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
776.30 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
776.31 licensed agency employed by or under contract with a CCBHC;

776.32 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
776.33 subdivision 3, shall be established by the commissioner using a provider-specific rate based

777.1 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
777.2 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
777.3 and must include the expected cost of providing the full scope of CCBHC services and the
777.4 expected number of visits for the rate period;

777.5 (4) the commissioner shall rebase CCBHC rates once every ~~three~~ two years following
777.6 the last rebasing and no less than 12 months following an initial rate or a rate change due
777.7 to a change in the scope of services;

777.8 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
777.9 of the rebasing;

777.10 (6) ~~the CCBHC daily bundled rate under this section does not apply to services rendered~~
777.11 ~~by CCBHCs to individuals who are dually eligible for Medicare and medical assistance~~
777.12 ~~when Medicare is the primary payer for the service.~~ an entity that receives a CCBHC daily
777.13 bundled rate system that overlaps with the CCBHC another federal Medicaid rate is not
777.14 eligible for the CCBHC rate methodology;

777.15 (7) payments for CCBHC services to individuals enrolled in managed care shall be
777.16 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
777.17 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
777.18 of the CCBHC daily bundled rate system in the Medicaid Management Information System
777.19 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
777.20 due made payable to CCBHCs no later than 18 months thereafter;

777.21 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
777.22 provider-specific rate by the Medicare Economic Index for primary care services. This
777.23 update shall occur each year in between rebasing periods determined by the commissioner
777.24 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
777.25 annually using the CCBHC cost report established by the commissioner; and

777.26 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
777.27 services when such changes are expected to result in an adjustment to the CCBHC payment
777.28 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
777.29 regarding the changes in the scope of services, including the estimated cost of providing
777.30 the new or modified services and any projected increase or decrease in the number of visits
777.31 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
777.32 adjustments for changes in scope shall occur no more than once per year in between rebasing
777.33 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

778.1 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
778.2 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
778.3 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
778.4 any contract year, federal approval is not received for this paragraph, the commissioner
778.5 must adjust the capitation rates paid to managed care plans and county-based purchasing
778.6 plans for that contract year to reflect the removal of this provision. Contracts between
778.7 managed care plans and county-based purchasing plans and providers to whom this paragraph
778.8 applies must allow recovery of payments from those providers if capitation rates are adjusted
778.9 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
778.10 to any increase in rates that results from this provision. This paragraph expires if federal
778.11 approval is not received for this paragraph at any time.

778.12 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
778.13 that meets the following requirements:

778.14 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
778.15 thresholds for performance metrics established by the commissioner, in addition to payments
778.16 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
778.17 paragraph (c);

778.18 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
778.19 year to be eligible for incentive payments;

778.20 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
778.21 receive quality incentive payments at least 90 days prior to the measurement year; and

778.22 (4) a CCBHC must provide the commissioner with data needed to determine incentive
778.23 payment eligibility within six months following the measurement year. The commissioner
778.24 shall notify CCBHC providers of their performance on the required measures and the
778.25 incentive payment amount within 12 months following the measurement year.

778.26 (f) All claims to managed care plans for CCBHC services as provided under this section
778.27 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
778.28 than January 1 of the following calendar year, if:

778.29 (1) one or more managed care plans does not comply with the federal requirement for
778.30 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
778.31 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
778.32 days of noncompliance; and

779.1 (2) the total amount of clean claims not paid in accordance with federal requirements
 779.2 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
 779.3 eligible for payment by managed care plans.

779.4 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
 779.5 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
 779.6 the following year. If the conditions in this paragraph are met between July 1 and December
 779.7 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
 779.8 on July 1 of the following year.

779.9 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
 779.10 service under medical assistance when a licensed mental health professional or alcohol and
 779.11 drug counselor determines that peer services are medically necessary. Eligibility under this
 779.12 subdivision for peer services provided by a CCBHC supersede eligibility standards under
 779.13 sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

779.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,
 779.15 whichever is later. The commissioner of human services shall inform the revisor of statutes
 779.16 when federal approval is obtained.

779.17 Sec. 22. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
 779.18 **TRANSITION TO LICENSURE.**

779.19 (a) The commissioner of human services must transition the following mental health
 779.20 services from certification under Minnesota Statutes, chapters 245 and 256B, to licensure
 779.21 under Minnesota Statutes, chapter 245A, on or before January 1, 2026:

779.22 (1) certified community behavioral health clinics;

779.23 (2) adult rehabilitative mental health services;

779.24 (3) mobile mental health crisis response services;

779.25 (4) children's therapeutic services and supports; and

779.26 (5) community mental health centers.

779.27 (b) The transition to licensure under this section must be according to the Mental Health
 779.28 Uniform Service Standards in Minnesota Statutes, chapter 245I.

779.29 (c) No later than January 1, 2025, the commissioner must submit the proposed legislation
 779.30 necessary to implement the transition in paragraphs (a) and (b) to the chairs and ranking
 779.31 minority members of the legislative committees with jurisdiction over behavioral health
 779.32 services.

780.1 (d) The commissioner must consult with stakeholders to develop the legislation described
 780.2 in paragraph (c).

780.3 **ARTICLE 19**

780.4 **FORECAST ADJUSTMENTS**

780.5 Section 1. **HUMAN SERVICES FORECAST ADJUSTMENTS.**

780.6 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
 780.7 shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special
 780.8 Session chapter 7, article 15, and Laws 2021, First Special Session chapter 7, article 16,
 780.9 from the general fund, or any other fund named, to the commissioner of human services for
 780.10 the purposes specified in this article, to be available for the fiscal year indicated for each
 780.11 purpose. The figure "2023" used in this article means that the appropriations listed are
 780.12 available for the fiscal year ending June 30, 2023.

780.13 **APPROPRIATIONS**

780.14 **Available for the Year**

780.15 **Ending June 30**

780.16 **2023**

780.17 Sec. 2. **COMMISSIONER OF HUMAN**
 780.18 **SERVICES**

780.19 **Subdivision 1. Total Appropriation** **\$ (1,459,845,000)**

780.20 **Appropriations by Fund**

780.21 **2023**

780.22 **General** **(1,235,088,000)**

780.23 **Health Care Access** **(203,530,000)**

780.24 **Federal TANF** **(21,227,000)**

780.25 **Subd. 2. Forecasted Programs**

780.26 **(a) Minnesota Family**

780.27 **Investment Program**

780.28 **(MFIP)/Diversionary Work**

780.29 **Program (DWP)**

780.30 **Appropriations by Fund**

780.31 **2023**

780.32 **General** **(99,000)**

780.33 **Federal TANF** **(21,227,000)**

780.34 **(b) MFIP Child Care Assistance** **(36,957,000)**

780.35 **(c) General Assistance** **(1,632,000)**

781.1	<u>(d) Minnesota Supplemental Aid</u>	<u>783,000</u>
781.2	<u>(e) Housing Support</u>	<u>180,000</u>
781.3	<u>(f) Northstar Care for Children</u>	<u>(18,038,000)</u>
781.4	<u>(g) MinnesotaCare</u>	<u>(203,530,000)</u>
781.5	<u>This appropriation is from the health care</u>	
781.6	<u>access fund.</u>	
781.7	<u>(h) Medical Assistance</u>	<u>(1,172,921,000)</u>
781.8	<u>(i) Behavioral Health Fund</u>	<u>(6,404,000)</u>

781.9 Sec. 3. EFFECTIVE DATE.

781.10 Sections 1 and 2 are effective the day following final enactment.

781.11 **ARTICLE 20**

781.12 **APPROPRIATIONS**

781.13 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.

781.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 781.15 and for the purposes specified in this article. The appropriations are from the general fund,
 781.16 or another named fund, and are available for the fiscal years indicated for each purpose.
 781.17 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 781.18 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 781.19 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 781.20 is fiscal years 2024 and 2025.

781.21 APPROPRIATIONS

781.22 Available for the Year

781.23 Ending June 30

781.24 2024

2025

781.25 Sec. 2. COMMISSIONER OF HUMAN
781.26 SERVICES

781.27 Subdivision 1. Total Appropriation \$ 4,245,412,000 \$ 4,247,175,000

781.28 Appropriations by Fund

781.29 2024

2025

781.30 General 3,045,462,000 2,634,212,000

782.1	<u>State Government</u>		
782.2	<u>Special Revenue</u>	<u>4,901,000</u>	<u>5,409,000</u>
782.3	<u>Health Care Access</u>	<u>917,933,000</u>	<u>1,328,004,000</u>
782.4	<u>Federal TANF</u>	<u>276,953,000</u>	<u>279,387,000</u>
782.5	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

782.6 The amounts that may be spent for each
 782.7 purpose are specified in the following
 782.8 subdivisions.

782.9 **Subd. 2. TANF Maintenance of Effort**

782.10 **(a) Nonfederal expenditures.** The
 782.11 commissioner shall ensure that sufficient
 782.12 qualified nonfederal expenditures are made
 782.13 each year to meet the state's maintenance of
 782.14 effort requirements of the TANF block grant
 782.15 specified under Code of Federal Regulations,
 782.16 title 45, section 263.1. In order to meet these
 782.17 basic TANF maintenance of effort
 782.18 requirements, the commissioner may report
 782.19 as TANF maintenance of effort expenditures
 782.20 only nonfederal money expended for allowable
 782.21 activities listed in the following clauses:

782.22 (1) MFIP cash, diversionary work program,
 782.23 and food assistance benefits under Minnesota
 782.24 Statutes, chapter 256J;

782.25 (2) the child care assistance programs under
 782.26 Minnesota Statutes, sections 119B.03 and
 782.27 119B.05, and county child care administrative
 782.28 costs under Minnesota Statutes, section
 782.29 119B.15;

782.30 (3) state and county MFIP administrative costs
 782.31 under Minnesota Statutes, chapters 256J and
 782.32 256K;

- 783.1 (4) state, county, and Tribal MFIP
783.2 employment services under Minnesota
783.3 Statutes, chapters 256J and 256K;
- 783.4 (5) expenditures made on behalf of legal
783.5 noncitizen MFIP recipients who qualify for
783.6 the MinnesotaCare program under Minnesota
783.7 Statutes, chapter 256L;
- 783.8 (6) qualifying working family credit
783.9 expenditures under Minnesota Statutes, section
783.10 290.0671;
- 783.11 (7) qualifying Minnesota education credit
783.12 expenditures under Minnesota Statutes, section
783.13 290.0674; and
- 783.14 (8) qualifying Head Start expenditures under
783.15 Minnesota Statutes, section 119A.50.
- 783.16 **(b) Nonfederal expenditures; reporting.** For
783.17 the activities listed in paragraph (a), clauses
783.18 (2) to (8), the commissioner may report only
783.19 expenditures that are excluded from the
783.20 definition of assistance under Code of Federal
783.21 Regulations, title 45, section 260.31.
- 783.22 **(c) Limitations; exceptions.** The
783.23 commissioner must not claim an amount of
783.24 TANF maintenance of effort in excess of the
783.25 75 percent standard in Code of Federal
783.26 Regulations, title 45, section 263.1(a)(2),
783.27 except:
- 783.28 (1) to the extent necessary to meet the 80
783.29 percent standard under Code of Federal
783.30 Regulations, title 45, section 263.1(a)(1), if it
783.31 is determined by the commissioner that the
783.32 state will not meet the TANF work
783.33 participation target rate for the current year;

784.1 (2) to provide any additional amounts under
784.2 Code of Federal Regulations, title 45, section
784.3 264.5, that relate to replacement of TANF
784.4 funds due to the operation of TANF penalties;
784.5 and

784.6 (3) to provide any additional amounts that may
784.7 contribute to avoiding or reducing TANF work
784.8 participation penalties through the operation
784.9 of the excess maintenance of effort provisions
784.10 of Code of Federal Regulations, title 45,
784.11 section 261.43(a)(2).

784.12 **(d) Supplemental expenditures.** For the
784.13 purposes of paragraph (c), the commissioner
784.14 may supplement the maintenance of effort
784.15 claim with working family credit expenditures
784.16 or other qualified expenditures to the extent
784.17 such expenditures are otherwise available after
784.18 considering the expenditures allowed in this
784.19 subdivision.

784.20 **(e) Reduction of appropriations; exception.**
784.21 The requirement in Minnesota Statutes, section
784.22 256.011, subdivision 3, that federal grants or
784.23 aids secured or obtained under that subdivision
784.24 be used to reduce any direct appropriations
784.25 provided by law does not apply if the grants
784.26 or aids are federal TANF funds.

784.27 **(f) IT appropriations generally.** This
784.28 appropriation includes funds for information
784.29 technology projects, services, and support.
784.30 Notwithstanding Minnesota Statutes, section
784.31 16E.0466, funding for information technology
784.32 project costs must be incorporated into the
784.33 service level agreement and paid to Minnesota
784.34 IT Services by the Department of Human

785.1 Services under the rates and mechanism
 785.2 specified in that agreement.

785.3 **(g) Receipts for systems project.**

785.4 Appropriations and federal receipts for
 785.5 information technology systems projects for
 785.6 MAXIS, PRISM, MMIS, ISDS, METS, and
 785.7 SSIS must be deposited in the state systems
 785.8 account authorized in Minnesota Statutes,
 785.9 section 256.014. Money appropriated for
 785.10 information technology projects approved by
 785.11 the commissioner of Minnesota IT Services
 785.12 funded by the legislature, and approved by the
 785.13 commissioner of management and budget may
 785.14 be transferred from one project to another and
 785.15 from development to operations as the
 785.16 commissioner of human services considers
 785.17 necessary. Any unexpended balance in the
 785.18 appropriation for these projects does not
 785.19 cancel and is available for ongoing
 785.20 development and operations.

785.21 **(h) Federal SNAP education and training**
 785.22 **grants.** Federal funds available during fiscal
 785.23 years 2024 and 2025 for Supplemental
 785.24 Nutrition Assistance Program Education and
 785.25 Training and SNAP Quality Control
 785.26 Performance Bonus grants are appropriated
 785.27 to the commissioner of human services for the
 785.28 purposes allowable under the terms of the
 785.29 federal award. This paragraph is effective the
 785.30 day following final enactment.

785.31 **Subd. 3. Central Office; Operations**

785.32	<u>Appropriations by Fund</u>	
785.33	<u>General</u>	<u>336,074,000</u> <u>240,504,000</u>
785.34	<u>State Government</u>	
785.35	<u>Special Revenue</u>	<u>4,776,000</u> <u>4,284,000</u>

786.1	<u>Health Care Access</u>	<u>18,857,000</u>	<u>20,754,000</u>
786.2	<u>Federal TANF</u>	<u>1,090,000</u>	<u>1,194,000</u>

786.3 **(a) Administrative recovery; set-aside. The**

786.4 **commissioner may invoice local entities**

786.5 **through the SWIFT accounting system as an**

786.6 **alternative means to recover the actual cost of**

786.7 **administering the following provisions:**

786.8 **(1) the statewide data management system**

786.9 **authorized in Minnesota Statutes, section**

786.10 **125A.744, subdivision 3;**

786.11 **(2) repayment of the special revenue**

786.12 **maximization account as provided under**

786.13 **Minnesota Statutes, section 245.495,**

786.14 **paragraph (b);**

786.15 **(3) repayment of the special revenue**

786.16 **maximization account as provided under**

786.17 **Minnesota Statutes, section 256B.0625,**

786.18 **subdivision 20, paragraph (k);**

786.19 **(4) targeted case management under**

786.20 **Minnesota Statutes, section 256B.0924,**

786.21 **subdivision 6, paragraph (g);**

786.22 **(5) residential services for children with severe**

786.23 **emotional disturbance under Minnesota**

786.24 **Statutes, section 256B.0945, subdivision 4,**

786.25 **paragraph (d); and**

786.26 **(6) repayment of the special revenue**

786.27 **maximization account as provided under**

786.28 **Minnesota Statutes, section 256F.10,**

786.29 **subdivision 6, paragraph (b).**

786.30 **(b) Service delivery transformation.**

786.31 **\$41,048,000 in fiscal year 2024 is from the**

786.32 **general fund for service delivery**

786.33 **transformation projects.**

- 787.1 **(c) Integrated services for children and**
787.2 **families.** \$16,941,000 in fiscal year 2024 and
787.3 \$4,324,000 in fiscal year 2025 are from the
787.4 general fund for integrated services for
787.5 children and families projects.
- 787.6 Notwithstanding Minnesota Statutes, section
787.7 16A.28, subdivision 3, \$613,000 of the
787.8 appropriation in fiscal year 2024 is available
787.9 until June 30, 2029, and \$630,000 of the
787.10 appropriation in fiscal year 2025 is available
787.11 until June 30, 2029. This is a onetime
787.12 appropriation.
- 787.13 **(d) Medicaid management information**
787.14 **system modernization.** \$10,606,000 in fiscal
787.15 year 2024 is from the general fund for
787.16 Medicaid management information system
787.17 modernization projects. This is a onetime
787.18 appropriation.
- 787.19 **(e) Provider licensing and reporting hub.**
787.20 \$8,542,000 in fiscal year 2024 and
787.21 \$15,767,000 in fiscal year 2025 are from the
787.22 general fund for provider licensing and
787.23 reporting hub projects. Notwithstanding
787.24 Minnesota Statutes, section 16A.28,
787.25 subdivision 3, \$2,479,000 of the appropriation
787.26 in fiscal year 2024 is available until June 30,
787.27 2027, and \$8,358,000 of the appropriation in
787.28 fiscal year 2025 is available until June 30,
787.29 2027. This is a onetime appropriation.
- 787.30 **(f) Improving the Minnesota eligibility**
787.31 **technology system functionality.**
787.32 \$28,460,000 in fiscal year 2024 is from the
787.33 general fund for projects to improve the
787.34 Minnesota eligibility technology system
787.35 functionality.

788.1 **(g) Carryforward authority.**
 788.2 Notwithstanding Minnesota Statutes, section
 788.3 16A.28, subdivision 3, \$322,000 of the
 788.4 appropriation in fiscal year 2024 is available
 788.5 until June 30, 2027, and \$77,000 of the
 788.6 appropriation in fiscal year 2025 is available
 788.7 until June 30, 2027.

788.8 **(h) Base level adjustment.** The general fund
 788.9 base is \$228,150,000 in fiscal year 2026 and
 788.10 \$229,956,000 in fiscal year 2027. The state
 788.11 government special revenue base is \$4,880,000
 788.12 in fiscal year 2026 and \$4,880,000 in fiscal
 788.13 year 2027.

788.14 **Subd. 4. Central Office; Children and Families**

788.15	<u>Appropriations by Fund</u>	
788.16	<u>General</u>	<u>57,107,000</u> <u>43,515,000</u>
788.17	<u>Federal TANF</u>	<u>2,582,000</u> <u>2,582,000</u>

788.18 **(a) Quadrennial review of child support**
 788.19 **guidelines.** \$64,000 in fiscal year 2024 and
 788.20 \$32,000 in fiscal year 2025 are from the
 788.21 general fund for a quadrennial review of child
 788.22 support guidelines.

788.23 **(b) Transfer.** The commissioner must transfer
 788.24 \$64,000 in fiscal year 2024 and \$32,000 in
 788.25 fiscal year 2025 from the general fund to the
 788.26 special revenue fund to be used for the
 788.27 quadrennial review of child support guidelines.

788.28 **(c) Child care and early education**
 788.29 **professional wage scale and comparable**
 788.30 **competencies analysis.** \$778,000 in fiscal
 788.31 year 2024 and \$730,000 in fiscal year 2025
 788.32 are from the general fund for child care and
 788.33 early education professional wage scale and
 788.34 comparable competencies analysis. This is a

789.1 onetime appropriation. The commissioner may
789.2 execute, as necessary to complete this analysis,
789.3 interagency agreements with the
789.4 commissioners of education, employment and
789.5 economic development, and management and
789.6 budget.

789.7 **(d) Cost estimation model for early care and**
789.8 **learning programs. \$100,000 in fiscal year**
789.9 **2024 is from the general fund for developing**
789.10 **a cost estimation model for providing early**
789.11 **care and learning.**

789.12 **(e) Integrated services for children and**
789.13 **families. \$8,302,000 in fiscal year 2024 and**
789.14 **\$6,776,000 in fiscal year 2025 are from the**
789.15 **general fund for integrated services for**
789.16 **children and families projects.**
789.17 Notwithstanding Minnesota Statutes, section
789.18 16A.28, subdivision 3, \$2,041,000 of the
789.19 appropriation in fiscal year 2024 is available
789.20 until June 30, 2027, and \$4,261,000 is
789.21 available until June 30, 2029. Notwithstanding
789.22 Minnesota Statutes, section 16A.28,
789.23 subdivision 3, \$4,586,000 of the appropriation
789.24 in fiscal year 2025 is available until June 30,
789.25 2029. This is a onetime appropriation.

789.26 **(f) Carryforward authority. Notwithstanding**
789.27 **Minnesota Statutes, section 16A.28,**
789.28 **subdivision 3, \$4,992,000 of the appropriation**
789.29 **in fiscal year 2024 is available until June 30,**
789.30 **2027, and \$2,413,000 is available until June**
789.31 **30, 2028.**

789.32 **(g) IT systems improvements for children**
789.33 **and families. \$20,000,000 in fiscal year 2024**
789.34 **is from the general fund for information**
789.35 **technology improvements for programs for**

790.1 children and families. This appropriation must
 790.2 be deposited in the state systems account under
 790.3 Minnesota Statutes, section 256.014,
 790.4 subdivision 2, and must only be expended
 790.5 according to the requirements of article 12,
 790.6 section 31. The commissioner of human
 790.7 services may transfer funds from this
 790.8 appropriation to the commissioner of
 790.9 education, Minnesota IT Services, or the
 790.10 commissioner of children, youth, and families
 790.11 to develop and implement the plan under
 790.12 article 12, section 31. The commissioner of
 790.13 human services must transfer any unexpended
 790.14 amounts and any federal funds attributable to
 790.15 expenditures under this paragraph to the
 790.16 commissioner of children, youth, and families
 790.17 according to the requirements of Minnesota
 790.18 Statutes, section 15.039, subdivision 6. This
 790.19 is a onetime appropriation.

790.20 **(h) Base level adjustment.** The general fund
 790.21 base is \$35,889,000 in fiscal year 2026 and
 790.22 \$35,466,000 in fiscal year 2027.

790.23 **Subd. 5. Central Office; Health Care**

790.24	<u>Appropriations by Fund</u>	
790.25	<u>General</u>	<u>35,807,000</u> <u>31,349,000</u>
790.26	<u>Health Care Access</u>	<u>30,668,000</u> <u>50,168,000</u>

790.27 **(a) Medical assistance and MinnesotaCare**
 790.28 **accessibility improvements.** \$4,000,000 in
 790.29 fiscal year 2024 is from the general fund for
 790.30 interactive voice response upgrades and
 790.31 translation services for medical assistance and
 790.32 MinnesotaCare enrollees with limited English
 790.33 proficiency. This appropriation is available
 790.34 until June 30, 2025.

791.1 **(b) Transforming service delivery. \$155,000**
791.2 in fiscal year 2024 and \$180,000 in fiscal year
791.3 2025 are from the general fund for
791.4 transforming service delivery projects.

791.5 **(c) Improving the Minnesota eligibility**
791.6 **technology system functionality. \$1,604,000**
791.7 in fiscal year 2024 and \$711,000 in fiscal year
791.8 2025 are from the general fund for improving
791.9 the Minnesota eligibility technology system
791.10 functionality. The base for this appropriation
791.11 is \$1,421,000 in fiscal year 2026 and \$0 in
791.12 fiscal year 2027.

791.13 **(d) Actuarial and economic analyses.**
791.14 \$2,500,000 is from the health care access fund
791.15 for actuarial and economic analyses and to
791.16 prepare and submit a state innovation waiver
791.17 under section 1332 of the federal Affordable
791.18 Care Act for a Minnesota public option health
791.19 care plan. This is a onetime appropriation and
791.20 is available until June 30, 2025.

791.21 **(e) Contingent appropriation for Minnesota**
791.22 **public option health care plan. \$22,000,000**
791.23 in fiscal year 2025 is from the health care
791.24 access fund to implement a Minnesota public
791.25 option health care plan. This is a onetime
791.26 appropriation and is available upon approval
791.27 of a state innovation waiver under section
791.28 1332 of the federal Affordable Care Act. This
791.29 appropriation is available until June 30, 2027.

791.30 **(f) Carryforward authority. Notwithstanding**
791.31 Minnesota Statutes, section 16A.28,
791.32 subdivision 3, \$2,367,000 of the appropriation
791.33 in fiscal year 2024 is available until June 30,
791.34 2027.

792.1 (g) Base level adjustment. The general fund
 792.2 base is \$32,315,000 in fiscal year 2026 and
 792.3 \$27,536,000 in fiscal year 2027. The health
 792.4 care access fund base is \$28,168,000 in fiscal
 792.5 year 2026 and \$28,168,000 in fiscal year 2027.

792.6 Subd. 6. Central Office; Aging and Disabilities
 792.7 Services

792.8	<u>Appropriations by Fund</u>	
792.9	<u>General</u>	<u>38,759,000</u> <u>34,721,000</u>
792.10	<u>State Government</u>	
792.11	<u>Special Revenue</u>	<u>125,000</u> <u>125,000</u>

792.12 Base level adjustment. The general fund base
 792.13 is \$34,688,000 in fiscal year 2026 and
 792.14 \$34,688,000 in fiscal year 2027.

792.15 Subd. 7. Central Office; Behavioral Health, Deaf
 792.16 and Hard of Hearing, and Housing Services

792.17	<u>Appropriations by Fund</u>	
792.18	<u>General</u>	<u>27,870,000</u> <u>27,592,000</u>
792.19	<u>Lottery Prize</u>	<u>163,000</u> <u>163,000</u>

792.20 (a) Homeless management system. \$250,000
 792.21 in fiscal year 2024 and \$1,000,000 in fiscal
 792.22 year 2025 are from the general fund for a
 792.23 homeless management information system.
 792.24 The base for this appropriation is \$1,140,000
 792.25 in fiscal year 2026 and \$1,140,000 in fiscal
 792.26 year 2027.

792.27 (b) Online behavioral health program
 792.28 locator. \$959,000 in fiscal year 2024 and
 792.29 \$959,000 in fiscal year 2025 are from the
 792.30 general fund for an online behavioral health
 792.31 program locator.

792.32 (c) Integrated services for children and
 792.33 families. \$286,000 in fiscal year 2024 and
 792.34 \$286,000 in fiscal year 2025 are from the
 792.35 general fund for integrated services for

793.1	<u>children and families projects.</u>		
793.2	<u>Notwithstanding Minnesota Statutes, section</u>		
793.3	<u>16A.28, subdivision 3, \$1,797,000 of the</u>		
793.4	<u>appropriation in fiscal year 2024 is available</u>		
793.5	<u>until June 30, 2027.</u>		
793.6	<u>(d) Carryforward authority.</u>		
793.7	<u>Notwithstanding Minnesota Statutes, section</u>		
793.8	<u>16A.28, subdivision 3, \$842,000 of the</u>		
793.9	<u>appropriation in fiscal year 2024 is available</u>		
793.10	<u>until June 30, 2027, and \$852,000 of the</u>		
793.11	<u>appropriation in fiscal year 2025 is available</u>		
793.12	<u>until June 30, 2028.</u>		
793.13	<u>(f) Base level adjustment. The general fund</u>		
793.14	<u>base is \$25,243,000 in fiscal year 2026 and</u>		
793.15	<u>\$24,682,000 in fiscal year 2027.</u>		
793.16	<u>Subd. 8. Forecasted Programs; MFIP/DWP</u>		
793.17	<u>Appropriations by Fund</u>		
793.18	<u>General</u>	<u>82,652,000</u>	<u>90,798,000</u>
793.19	<u>Federal TANF</u>	<u>105,337,000</u>	<u>107,667,000</u>
793.20	<u>Subd. 9. Forecasted Programs; MFIP Child Care</u>		
793.21	<u>Assistance</u>	<u>38,745,000</u>	<u>144,051,000</u>
793.22	<u>Subd. 10. Forecasted Programs; General</u>		
793.23	<u>Assistance</u>	<u>52,026,000</u>	<u>69,820,000</u>
793.24	<u>Emergency general assistance. The amount</u>		
793.25	<u>appropriated for emergency general assistance</u>		
793.26	<u>is limited to no more than \$6,729,812 in fiscal</u>		
793.27	<u>year 2024 and \$6,729,812 in fiscal year 2025.</u>		
793.28	<u>Funds to counties shall be allocated by the</u>		
793.29	<u>commissioner using the allocation method</u>		
793.30	<u>under Minnesota Statutes, section 256D.06.</u>		
793.31	<u>Subd. 11. Forecasted Programs; Minnesota</u>		
793.32	<u>Supplemental Assistance</u>	<u>58,548,000</u>	<u>60,358,000</u>
793.33	<u>Subd. 12. Forecasted Programs; Housing</u>		
793.34	<u>Support</u>	<u>212,216,000</u>	<u>225,236,000</u>

794.1	<u>Subd. 13. Forecasted Programs; Northstar Care</u>		
794.2	<u>for Children</u>	<u>113,912,000</u>	<u>124,546,000</u>
794.3	<u>Subd. 14. Forecasted Programs; MinnesotaCare</u>	<u>88,889,000</u>	<u>59,513,000</u>
794.4	<u>This appropriation is from the health care</u>		
794.5	<u>access fund.</u>		
794.6	<u>Subd. 15. Forecasted Programs; Medical</u>		
794.7	<u>Assistance</u>		
794.8	<u>Appropriations by Fund</u>		
794.9	<u>General</u>	<u>1,191,783,000</u>	<u>794,613,000</u>
794.10	<u>Health Care Access</u>	<u>776,054,000</u>	<u>1,194,104,000</u>
794.11	<u>The health care access fund base is</u>		
794.12	<u>\$1,003,980,000 in fiscal year 2026 and</u>		
794.13	<u>\$866,308,000 in fiscal year 2027.</u>		
794.14	<u>Subd. 16. Forecasted Programs; Alternative</u>		
794.15	<u>Care</u>	<u>59,000</u>	<u>232,000</u>
794.16	<u>Subd. 17. Forecasted Programs; Behavioral</u>		
794.17	<u>Health Fund</u>	<u>351,000</u>	<u>350,000</u>
794.18	<u>Subd. 18. Grant Programs; Support Services</u>		
794.19	<u>Grants</u>		
794.20	<u>Appropriations by Fund</u>		
794.21	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
794.22	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
794.23	<u>Subd. 19. Grant Programs; Basic Sliding Fee</u>		
794.24	<u>Child Assistance Care Grants</u>	<u>57,953,000</u>	<u>107,346,000</u>
794.25	<u>The general fund base is \$137,768,000 in</u>		
794.26	<u>fiscal year 2026 and \$135,212,000 in fiscal</u>		
794.27	<u>year 2027.</u>		
794.28	<u>Subd. 20. Grant Programs; Child Care</u>		
794.29	<u>Development Grants</u>	<u>157,070,000</u>	<u>216,844,000</u>
794.30	<u>(a) Great start compensation support</u>		
794.31	<u>payments. \$109,665,000 in fiscal year 2024</u>		
794.32	<u>and \$206,436,000 in fiscal year 2025 are for</u>		
794.33	<u>the great start compensation support payments</u>		
794.34	<u>under Minnesota Statutes, section 119B.27.</u>		
794.35	<u>The base for this appropriation is</u>		

795.1 \$129,887,000 in fiscal year 2026 and
795.2 \$129,887,000 in fiscal year 2027. The
795.3 appropriations in fiscal year 2024 and fiscal
795.4 year 2025 are available until June 30, 2027.

795.5 **(b) Transition grant program. \$42,542,000**
795.6 in fiscal year 2024 is for transition grants for
795.7 child care providers that intend to participate
795.8 in the great start compensation program. This
795.9 is a onetime appropriation and is available
795.10 until June 30, 2027.

795.11 **(c) REETAIN grant program. \$1,951,000**
795.12 in fiscal year 2024 and \$1,951,000 in fiscal
795.13 year 2025 are for the REETAIN grant program
795.14 under Minnesota Statutes, section 119B.195.
795.15 The general fund base for this appropriation
795.16 is \$750,000 in fiscal year 2026 and \$750,000
795.17 in fiscal year 2027.

795.18 **(d) Child care workforce development**
795.19 grants administration. \$1,300,000 in fiscal
795.20 year 2025 is for a grant to the statewide child
795.21 care resource and referral network to
795.22 administer child care workforce development
795.23 grants under Minnesota Statutes, section
795.24 119B.19, subdivision 7, clause (10).

795.25 **(e) TEACH scholarship program. \$695,000**
795.26 in fiscal year 2025 is for a scholarship program
795.27 for early childhood and school-age educators
795.28 under Minnesota Statutes, section 119B.251.

795.29 **(f) Early childhood registered**
795.30 apprenticeship grant program. \$1,175,000
795.31 in fiscal year 2024 and \$2,000,000 in fiscal
795.32 year 2025 are for the early childhood
795.33 registered apprenticeship grant program under
795.34 Minnesota Statutes, section 119B.252. This

796.1 appropriation is available until June 30, 2027.
 796.2 The base for this appropriation is \$1,000,000
 796.3 in fiscal year 2026 and \$1,000,000 in fiscal
 796.4 year 2027.

796.5 **(g) Family, friend, and neighbor grant**
 796.6 **program. \$2,725,000 in fiscal year 2025 is**
 796.7 **for the family, friend, and neighbor grant**
 796.8 **program under Minnesota Statutes, section**
 796.9 **119B.196. The base for this appropriation is**
 796.10 **\$2,225,000 in fiscal year 2026 and \$2,225,000**
 796.11 **in fiscal year 2027.**

796.12 **(h) Base level adjustment. The general fund**
 796.13 **base is \$137,594,000 in fiscal year 2026 and**
 796.14 **\$137,594,000 in fiscal year 2027.**

796.15	<u>Subd. 21. Grant Programs; Child Support</u>		
796.16	<u>Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>

796.17 **Subd. 22. Grant Programs; Children's Services**
 796.18 **Grants**

796.19	<u>Appropriations by Fund</u>		
796.20	<u>General</u>	<u>86,212,000</u>	<u>85,063,000</u>
796.21	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

796.22 **(a) Title IV-E Adoption Assistance. The**
 796.23 **commissioner shall allocate funds from the**
 796.24 **state's savings from the Fostering Connections**
 796.25 **to Success and Increasing Adoptions Act's**
 796.26 **expanded eligibility for Title IV-E adoption**
 796.27 **assistance as required in Minnesota Statutes,**
 796.28 **section 256N.261, and as allowable under**
 796.29 **federal law. Additional savings to the state as**
 796.30 **a result of the Fostering Connections to**
 796.31 **Success and Increasing Adoptions Act's**
 796.32 **expanded eligibility for Title IV-E adoption**
 796.33 **assistance is for postadoption, foster care,**
 796.34 **adoption, and kinship services, including a**

797.1 parent-to-parent support network and as
797.2 allowable under federal law.

797.3 **(b) Mille Lacs Band of Ojibwe American**
797.4 **Indian child welfare initiative. \$3,337,000**
797.5 **in fiscal year 2024 and \$5,294,000 in fiscal**
797.6 **year 2025 are from the general fund for the**
797.7 **Mille Lacs Band of Ojibwe to join the**
797.8 **American Indian child welfare initiative. The**
797.9 **base for this appropriation is \$7,893,000 in**
797.10 **fiscal year 2026 and \$7,893,000 in fiscal year**
797.11 **2027.**

797.12 **(c) Leech Lake Band of Ojibwe American**
797.13 **Indian child welfare initiative. \$1,848,000**
797.14 **in fiscal year 2024 and \$1,848,000 in fiscal**
797.15 **year 2025 are from the general fund for the**
797.16 **Leech Lake Band of Ojibwe to participate in**
797.17 **the American Indian child welfare initiative.**

797.18 **(d) Red Lake Band of Chippewa American**
797.19 **Indian child welfare initiative. \$3,000,000**
797.20 **in fiscal year 2024 and \$3,000,000 in fiscal**
797.21 **year 2025 are from the general fund for the**
797.22 **Red Lake Band of Chippewa to participate in**
797.23 **the American Indian child welfare initiative.**

797.24 **(e) White Earth Nation American Indian**
797.25 **child welfare initiative. \$3,776,000 in fiscal**
797.26 **year 2024 and \$3,776,000 in fiscal year 2025**
797.27 **are from the general fund for the White Earth**
797.28 **Nation to participate in the American Indian**
797.29 **child welfare initiative.**

797.30 **(f) Indian Child welfare grants. \$4,405,000**
797.31 **in fiscal year 2024 and \$4,405,000 in fiscal**
797.32 **year 2025 are from the general fund for Indian**
797.33 **child welfare grants under Minnesota Statutes,**
797.34 **section 260.785. The base for this**

798.1 appropriation is \$4,640,000 in fiscal year 2026
798.2 and \$4,640,000 in fiscal year 2027.

798.3 **(g) Child welfare staff allocation for Tribes.**
798.4 \$799,000 in fiscal year 2024 and \$799,000 in
798.5 fiscal year 2025 are from the general fund for
798.6 grants to Tribes for child welfare staffing
798.7 under Minnesota Statutes, section 260.786.

798.8 **(h) Grants for kinship navigator services.**
798.9 \$764,000 in fiscal year 2024 and \$764,000 in
798.10 fiscal year 2025 are from the general fund for
798.11 grants for kinship navigator services and
798.12 grants to Tribal Nations for kinship navigator
798.13 services under Minnesota Statutes, section
798.14 256.4794. The base for this appropriation is
798.15 \$506,000 in fiscal year 2026 and \$507,000 in
798.16 fiscal year 2027.

798.17 **(i) Family first prevention and early**
798.18 **intervention assessment response grants.**
798.19 \$4,000,000 in fiscal year 2024 and \$6,112,000
798.20 in fiscal year 2025 are from the general fund
798.21 for family assessment response grants under
798.22 Minnesota Statutes, section 260.014. The base
798.23 for this appropriation is \$6,000,000 in fiscal
798.24 year 2026 and \$6,000,000 in fiscal year 2027.

798.25 **(j) Grants for evidence-based prevention**
798.26 **and early intervention services. \$4,329,000**
798.27 in fiscal year 2024 and \$4,100,000 in fiscal
798.28 year 2025 are from the general fund for grants
798.29 to support evidence-based prevention and early
798.30 intervention services under Minnesota
798.31 Statutes, section 256.4793.

798.32 **(k) Grant to administer pool of qualified**
798.33 **individuals for assessments. \$250,000 in**
798.34 fiscal year 2024 and \$250,000 in fiscal year

799.1 2025 are from the general fund for grants to
799.2 establish and manage a pool of state-funded
799.3 qualified individuals to conduct assessments
799.4 for out-of-home placement of a child in a
799.5 qualified residential treatment program.

799.6 **(l) Quality parenting initiative grant**
799.7 **program. \$100,000 in fiscal year 2024 and**
799.8 **\$100,000 in fiscal year 2025 are from the**
799.9 **general fund for a grant to Quality Parenting**
799.10 **Initiative Minnesota under Minnesota Statutes,**
799.11 **section 245.0962.**

799.12 **(m) STAY in the community grants.**
799.13 **\$1,579,000 in fiscal year 2024 and \$2,247,000**
799.14 **in fiscal year 2025 are from the general fund**
799.15 **for the STAY in the community program**
799.16 **under Minnesota Statutes, section 260C.452.**

799.17 **This is a onetime appropriation and is**
799.18 **available until June 30, 2027.**

799.19 **(n) Grants for community resource centers.**
799.20 **\$5,657,000 in fiscal year 2024 is from the**
799.21 **general fund for grants to establish a network**
799.22 **of community resource centers. This is a**
799.23 **onetime appropriation and is available until**
799.24 **June 30, 2027.**

799.25 **(o) Family assets for independence in**
799.26 **Minnesota. \$1,405,000 in fiscal year 2024**
799.27 **and \$1,391,000 in fiscal year 2025 are from**
799.28 **the general fund for the family assets for**
799.29 **independence in Minnesota program, under**
799.30 **Minnesota Statutes, section 256E.35. This is**
799.31 **a onetime appropriation and is available until**
799.32 **June 30, 2027.**

800.1 (p) **Base level adjustment.** The general fund
 800.2 base is \$85,280,000 in fiscal year 2026 and
 800.3 \$85,281,000 in fiscal year 2027.

800.4 Subd. 23. **Grant Programs; Children and**
 800.5 **Community Service Grants**

63,559,000

63,560,000

800.6 **Base level adjustment.** The general fund base
 800.7 is \$60,856,000 in fiscal year 2026 and
 800.8 \$60,856,000 in fiscal year 2027.

800.9 Subd. 24. **Grant Programs; Children and**
 800.10 **Economic Support Grants**

212,877,000

78,333,000

800.11 (a) **Fraud prevention initiative start-up**
 800.12 **grants.** \$400,000 in fiscal year 2024 is for
 800.13 start-up grants to the Red Lake Nation, White
 800.14 Earth Nation, and Mille Lacs Band of Ojibwe
 800.15 to develop a fraud prevention program. This
 800.16 is a onetime appropriation and is available
 800.17 until June 30, 2025.

800.18 (b) **American Indian food sovereignty**
 800.19 **funding program.** \$3,000,000 in fiscal year
 800.20 2024 and \$3,000,000 in fiscal year 2025 are
 800.21 for Minnesota Statutes, section 256E.342. This
 800.22 appropriation is available until June 30, 2025.
 800.23 The base for this appropriation is \$2,000,000
 800.24 in fiscal year 2026 and \$2,000,000 in fiscal
 800.25 year 2027.

800.26 (c) **Hennepin County grants to provide**
 800.27 **services to people experiencing**
 800.28 **homelessness.** \$11,432,000 in fiscal year 2024
 800.29 is for grants to maintain capacity for shelters
 800.30 and services provided to persons experiencing
 800.31 homelessness in Hennepin County. Of this
 800.32 amount:

800.33 (1) \$4,500,000 is for a grant to Avivo Village;

- 801.1 (2) \$2,000,000 is for a grant to the American
801.2 Indian Community Development Corporation
801.3 Homeward Bound shelter;
- 801.4 (3) \$1,650,000 is for a grant to the Salvation
801.5 Army Harbor Lights shelter;
- 801.6 (4) \$500,000 is for a grant to Agate Housing
801.7 and Services;
- 801.8 (5) \$1,400,000 is for a grant to Catholic
801.9 Charities of St. Paul and Minneapolis;
- 801.10 (6) \$450,000 is for a grant to Simpson
801.11 Housing; and
- 801.12 (7) \$932,000 is for a grant to Hennepin
801.13 County.
- 801.14 Nothing shall preclude an eligible organization
801.15 receiving funding under this paragraph from
801.16 applying for and receiving funding under
801.17 Minnesota Statutes, section 256E.33, 256E.36,
801.18 256K.45, or 256K.47, nor does receiving
801.19 funding under this paragraph count against
801.20 any eligible organization in the competitive
801.21 processes related to those grant programs
801.22 under Minnesota Statutes, section 256E.33,
801.23 256E.36, 256K.45, or 256K.47.
- 801.24 **(d) Diaper distribution grant program.**
801.25 \$545,000 in fiscal year 2024 and \$553,000 in
801.26 fiscal year 2025 are for a grant to the Diaper
801.27 Bank of Minnesota under Minnesota Statutes,
801.28 section 256E.38.
- 801.29 **(e) Prepared meals food relief. \$1,654,000**
801.30 in fiscal year 2024 and \$1,638,000 in fiscal
801.31 year 2025 are for prepared meals food relief
801.32 grants. This is a onetime appropriation.

802.1 (f) **Emergency shelter facilities.** \$98,456,000
802.2 in fiscal year 2024 is for grants to eligible
802.3 applicants for emergency shelter facilities.
802.4 This is a onetime appropriation and is
802.5 available until June 30, 2028.

802.6 (g) **Homeless youth cash stipend pilot**
802.7 **project.** \$5,302,000 in fiscal year 2024 is for
802.8 a grant to Youthprise for the homeless youth
802.9 cash stipend pilot project. The grant must be
802.10 used to provide cash stipends to homeless
802.11 youth, provide cash incentives for stipend
802.12 recipients to participate in periodic surveys,
802.13 provide youth-designed optional services, and
802.14 complete a legislative report. This is a onetime
802.15 appropriation and is available until June 30,
802.16 2028.

802.17 (h) **Heading Home Ramsey County**
802.18 **continuum of care grants.** \$11,432,000 in
802.19 fiscal year 2024 is for grants to maintain
802.20 capacity for shelters and services provided to
802.21 people experiencing homelessness in Ramsey
802.22 County. Of this amount:

802.23 (1) \$2,286,000 is for a grant to Catholic
802.24 Charities of St. Paul and Minneapolis;

802.25 (2) \$1,498,000 is for a grant to More Doors;

802.26 (3) \$1,734,000 is for a grant to Interfaith
802.27 Action Project Home;

802.28 (4) \$2,248,000 is for a grant to Ramsey
802.29 County;

802.30 (5) \$689,000 is for a grant to Radas Health;

802.31 (6) \$493,000 is for a grant to The Listening
802.32 House;

803.1 (7) \$512,000 is for a grant to Face to Face;
803.2 and
803.3 (8) \$1,972,000 is for a grant to the city of St.
803.4 Paul.

803.5 Nothing shall preclude an eligible organization
803.6 receiving funding under this paragraph from
803.7 applying for and receiving funding under
803.8 Minnesota Statutes, section 256E.33, 256E.36,
803.9 256K.45, or 256K.47, nor does receiving
803.10 funding under this paragraph count against
803.11 any eligible organization in the competitive
803.12 processes related to those grant programs
803.13 under Minnesota Statutes, section 256E.33,
803.14 256E.36, 256K.45, or 256K.47.

803.15 **(i) Capital for emergency food distribution**
803.16 **facilities. \$7,000,000 in fiscal year 2024 is for**
803.17 **improving and expanding the infrastructure**
803.18 **of food shelf facilities. Grant money must be**
803.19 **made available to nonprofit organizations,**
803.20 **federally recognized Tribes, and local units of**
803.21 **government. This is a onetime appropriation**
803.22 **and is available until June 30, 2027.**

803.23 **(j) Emergency services program grants.**
803.24 **\$15,250,000 in fiscal year 2024 and**
803.25 **\$14,750,000 in fiscal year 2025 are for**
803.26 **emergency services grants under Minnesota**
803.27 **Statutes, section 256E.36. Any unexpended**
803.28 **amount in the first year does not cancel and**
803.29 **is available in the second year. The base for**
803.30 **this appropriation is \$25,000,000 in fiscal year**
803.31 **2026 and \$30,000,000 in fiscal year 2027.**

803.32 **(k) Homeless Youth Act grants. \$15,136,000**
803.33 **in fiscal year 2024 and \$15,136,000 in fiscal**
803.34 **year 2025 are for grants under Minnesota**

804.1 Statutes, section 256K.45, subdivision 1. Any
 804.2 unexpended amount in the first year does not
 804.3 cancel and is available in the second year.

804.4 **(l) Transitional housing programs.**
 804.5 \$3,000,000 in fiscal year 2024 and \$3,000,000
 804.6 in fiscal year 2025 are for transitional housing
 804.7 programs under Minnesota Statutes, section
 804.8 256E.33. Any unexpended amount in the first
 804.9 year does not cancel and is available in the
 804.10 second year.

804.11 **(m) Safe harbor shelter and housing grants.**
 804.12 \$2,125,000 in fiscal year 2024 and \$2,125,000
 804.13 in fiscal year 2025 are for grants under
 804.14 Minnesota Statutes, section 256K.47. Any
 804.15 unexpended amount in the first year does not
 804.16 cancel and is available in the second year. The
 804.17 base for this appropriation is \$1,250,000 in
 804.18 fiscal year 2026 and \$1,250,000 in fiscal year
 804.19 2027.

804.20 **(n) Supplemental nutrition assistance**
 804.21 **program (SNAP) outreach. \$1,000,000 in**
 804.22 fiscal year 2024 and \$1,000,000 in fiscal year
 804.23 2025 are for the SNAP outreach program
 804.24 under Minnesota Statutes, section 256D.65.
 804.25 The base for this appropriation is \$500,000 in
 804.26 fiscal year 2026 and \$500,000 in fiscal year
 804.27 2027.

804.28 **(o) Base level adjustment.** The general fund
 804.29 base is \$83,179,000 in fiscal year 2026 and
 804.30 \$88,179,000 in fiscal year 2027.

804.31	<u>Subd. 25. Refugee Services Grants</u>	<u>7,000,000</u>	<u>-0-</u>
804.32	<u>New American legal, social services, and</u>		
804.33	<u>long-term care workforce grant program.</u>		
804.34	<u>\$7,000,000 in fiscal year 2024 is for New</u>		

805.1 American legal, social services, and long-term
 805.2 care workforce grants established under 2023
 805.3 Senate File 2934, article 1, section 60, if
 805.4 legislatively enacted. This appropriation is in
 805.5 addition to any other appropriation made for
 805.6 this purpose. This is a onetime appropriation
 805.7 and is available until June 30, 2027.

805.8 **Subd. 26. Grant Programs; Health Care Grants**

805.9 Appropriations by Fund

805.10	<u>General</u>	<u>8,561,000</u>	<u>8,561,000</u>
805.11	<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

805.12 **(a) Grant to Indian Health Board of**
 805.13 **Minneapolis. \$3,750,000 in fiscal year 2024**
 805.14 **and \$3,750,000 in fiscal year 2025 are from**
 805.15 **the general fund for a grant to the Indian**
 805.16 **Health Board of Minneapolis to support**
 805.17 **continued access to health care coverage**
 805.18 **through medical assistance and**
 805.19 **MinnesotaCare, improve access to quality**
 805.20 **care, and increase vaccination rates among**
 805.21 **urban American Indians. This is a onetime**
 805.22 **appropriation.**

805.23 **(b) Base level adjustment. The general fund**
 805.24 **base is \$4,811,000 in fiscal year 2026 and**
 805.25 **\$4,811,000 in fiscal year 2027.**

805.26 **Subd. 27. Grant Programs; Aging and Adult**
 805.27 **Services Grants**

728,000

728,000

805.28 **(a) Catholic Charities homeless elders**
 805.29 **program. \$728,000 in fiscal year 2024 and**
 805.30 **\$728,000 in fiscal year 2025 are for a grant to**
 805.31 **Catholic Charities of St. Paul and Minneapolis**
 805.32 **for its homeless elders program. This is a**
 805.33 **onetime appropriation.**

806.1 (b) Base level adjustment. The general fund
 806.2 base is \$0 in fiscal year 2026 and \$0 in fiscal
 806.3 year 2027.

806.4 Subd. 28. Grant Programs; Housing Grants 20,014,000 12,014,000

806.5 (a) AmeriCorps Heading Home Corps.
 806.6 \$1,650,000 in fiscal year 2024 and \$1,650,000
 806.7 in fiscal year 2025 are for the AmeriCorps
 806.8 Heading Home Corps program. This is a
 806.9 onetime appropriation and is available until
 806.10 June 30, 2027.

806.11 (b) Base level adjustment. The general fund
 806.12 base is \$10,364,000 in fiscal year 2026 and
 806.13 \$10,364,000 in fiscal year 2027.

806.14 Subd. 29. Grant Programs; Adult Mental Health
 806.15 Grants 132,327,000 121,270,000

806.16 (a) Mobile crisis grants to Tribal Nations.
 806.17 \$1,000,000 in fiscal year 2024 and \$1,000,000
 806.18 in fiscal year 2025 are for mobile crisis grants
 806.19 under Minnesota Statutes section 245.4661,
 806.20 subdivision 9, paragraph (b), clause (15), to
 806.21 Tribal Nations.

806.22 (b) Mental health provider supervision
 806.23 grant program. \$1,500,000 in fiscal year
 806.24 2024 and \$1,500,000 in fiscal year 2025 are
 806.25 for the mental health provider supervision
 806.26 grant program under Minnesota Statutes,
 806.27 section 245.4663.

806.28 (c) Minnesota State University, Mankato
 806.29 community behavioral health center.
 806.30 \$750,000 in fiscal year 2024 and \$750,000 in
 806.31 fiscal year 2025 are for a grant to the Center
 806.32 for Rural Behavioral Health at Minnesota State
 806.33 University, Mankato to establish a community
 806.34 behavioral health center and training clinic.

807.1 The community behavioral health center must
807.2 provide comprehensive, culturally specific,
807.3 trauma-informed, practice- and
807.4 evidence-based, person- and family-centered
807.5 mental health and substance use disorder
807.6 treatment services in Blue Earth County and
807.7 the surrounding region to individuals of all
807.8 ages, regardless of an individual's ability to
807.9 pay or place of residence. The community
807.10 behavioral health center and training clinic
807.11 must also provide training and workforce
807.12 development opportunities to students enrolled
807.13 in the university's training programs in the
807.14 fields of social work, counseling and student
807.15 personnel, alcohol and drug studies,
807.16 psychology, and nursing. Upon request, the
807.17 commissioner must make information
807.18 regarding the use of this grant funding
807.19 available to the chairs and ranking minority
807.20 members of the legislative committees with
807.21 jurisdiction over behavioral health. This is a
807.22 onetime appropriation and is available until
807.23 June 30, 2027.

807.24 **(d) White Earth Nation; adult mental health**
807.25 **initiative. \$300,000 in fiscal year 2024 and**
807.26 **\$300,000 in fiscal year 2025 are for adult**
807.27 **mental health initiative grants to the White**
807.28 **Earth Nation. This is a onetime appropriation.**

807.29 **(e) Mobile crisis grants. \$8,472,000 in fiscal**
807.30 **year 2024 and \$8,380,000 in fiscal year 2025**
807.31 **are for the mobile crisis grants under**
807.32 **Minnesota Statutes, section 245.4661,**
807.33 **subdivision 9, paragraph (b), clause (15). This**
807.34 **is a onetime appropriation and is available**
807.35 **until June 30, 2027.**

808.1 (f) Base level adjustment. The general fund
 808.2 base is \$121,980,000 in fiscal year 2026 and
 808.3 \$121,980,000 in fiscal year 2027.

808.4 Subd. 30. Grant Programs; Child Mental Health
 808.5 Grants

44,487,000

37,934,000

808.6 (a) Psychiatric residential treatment facility
 808.7 start-up grants. \$1,000,000 in fiscal year
 808.8 2024 and \$1,000,000 in fiscal year 2025 are
 808.9 for psychiatric residential treatment facility
 808.10 start-up grants under Minnesota Statutes,
 808.11 section 256B.0941, subdivision 5. This is a
 808.12 onetime appropriation and is available until
 808.13 June 30, 2027.

808.14 (b) African American Child Wellness
 808.15 Institute. \$2,000,000 in fiscal year 2024 is
 808.16 for a grant to the African American Child
 808.17 Wellness Institute to provide culturally
 808.18 specific mental health and substance use
 808.19 disorder services under Minnesota Statutes,
 808.20 section 245.0961. This is a onetime
 808.21 appropriation and is available until June 30,
 808.22 2027.

808.23 (c) Base level adjustment. The general fund
 808.24 base is \$34,648,000 in fiscal year 2026 and
 808.25 \$34,648,000 in fiscal year 2027.

808.26 Subd. 31. Direct Care and Treatment - Mental
 808.27 Health and Substance Abuse

-0-

6,109,000

808.28 (a) Keeping Nurses at the Bedside Act;
 808.29 contingent appropriation. The appropriation
 808.30 in this subdivision is contingent upon
 808.31 legislative enactment of 2023 Senate File 1384
 808.32 by the 93rd Legislature.

808.33 (b) Base level adjustment. The general fund
 808.34 base is increased by \$7,566,000 in fiscal year

809.1 2026 and increased by \$7,566,000 in fiscal
809.2 year 2027.

809.3 Subd. 32. Technical Activities 71,493,000 71,493,000

809.4 This appropriation is from the federal TANF
809.5 fund.

809.6 Sec. 3. COMMISSIONER OF HEALTH

809.7 Subdivision 1. Total Appropriation \$ 432,805,000 \$ 416,822,000

809.8 Appropriations by Fund

809.9	<u>2024</u>	<u>2025</u>
809.10 <u>General</u>	<u>287,367,000</u>	<u>265,615,000</u>
809.11 <u>State Government</u>		
809.12 <u>Special Revenue</u>	<u>84,674,000</u>	<u>86,204,000</u>
809.13 <u>Health Care Access</u>	<u>49,051,000</u>	<u>53,290,000</u>
809.14 <u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

809.15 The amounts that may be spent for each
809.16 purpose are specified in the following
809.17 subdivisions.

809.18 Subd. 2. Health Improvement

809.19 Appropriations by Fund

809.20 <u>General</u>	<u>229,600,000</u>	<u>210,030,000</u>
809.21 <u>State Government</u>		
809.22 <u>Special Revenue</u>	<u>12,392,000</u>	<u>12,682,000</u>
809.23 <u>Health Care Access</u>	<u>49,051,000</u>	<u>53,290,000</u>
809.24 <u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

809.25 (a) Studies of telehealth expansion and
809.26 payment parity. \$1,200,000 in fiscal year
809.27 2024 is from the general fund for studies of
809.28 telehealth expansion and payment parity. This
809.29 is a onetime appropriation and is available
809.30 until June 30, 2025.

809.31 (b) Advancing equity through capacity
809.32 building and resource allocation grant
809.33 program. \$916,000 in fiscal year 2024 and
809.34 \$916,000 in fiscal year 2025 are from the

810.1 general fund for grants under Minnesota
810.2 Statutes, section 144.9821. This is a onetime
810.3 appropriation.

810.4 **(c) Grant to Minnesota Community Health**
810.5 **Worker Alliance.** \$971,000 in fiscal year
810.6 2024 and \$971,000 in fiscal year 2025 are
810.7 from the general fund for Minnesota Statutes,
810.8 section 144.1462.

810.9 **(d) Community solutions for healthy child**
810.10 **development grants.** \$2,730,000 in fiscal year
810.11 2024 and \$2,730,000 in fiscal year 2025 are
810.12 from the general fund for grants under
810.13 Minnesota Statutes, section 145.9257. The
810.14 base for this appropriation is \$2,415,000 in
810.15 fiscal year 2026 and \$2,415,000 in fiscal year
810.16 2027.

810.17 **(e) Comprehensive Overdose and Morbidity**
810.18 **Prevention Act.** \$9,794,000 in fiscal year
810.19 2024 and \$10,458,000 in fiscal year 2025 are
810.20 from the general fund for comprehensive
810.21 overdose and morbidity prevention strategies
810.22 under Minnesota Statutes, section 144.0528.
810.23 The base for this appropriation is \$10,476,000
810.24 in fiscal year 2026 and \$10,476,000 in fiscal
810.25 year 2027.

810.26 **(f) Emergency preparedness and response.**
810.27 \$10,486,000 in fiscal year 2024 and
810.28 \$14,314,000 in fiscal year 2025 are from the
810.29 general fund for public health emergency
810.30 preparedness and response, the sustainability
810.31 of the strategic stockpile, and COVID-19
810.32 pandemic response transition. The base for
810.33 this appropriation is \$11,438,000 in fiscal year
810.34 2026 and \$11,362,000 in fiscal year 2027.

811.1 **(g) Healthy Beginnings, Healthy Families.**
811.2 (1) \$8,440,000 in fiscal year 2024 and
811.3 \$7,305,000 in fiscal year 2025 are from the
811.4 general fund for grants under Minnesota
811.5 Statutes, sections 145.9571 to 145.9576. The
811.6 base for this appropriation is \$1,500,000 in
811.7 fiscal year 2026 and \$1,500,000 in fiscal year
811.8 2027. (2) Of the amount in clause (1),
811.9 \$400,000 in fiscal year 2024 is to support the
811.10 transition from implementation of activities
811.11 under Minnesota Statutes, section 145.4235,
811.12 to implementation of activities under
811.13 Minnesota Statutes, sections 145.9571 to
811.14 145.9576. The commissioner shall award four
811.15 sole-source grants of \$100,000 each to Face
811.16 to Face, Cradle of Hope, Division of Indian
811.17 Work, and Minnesota Prison Doula Project.
811.18 The amount in this clause is a onetime
811.19 appropriation.

811.20 **(h) Help Me Connect.** \$463,000 in fiscal year
811.21 2024 and \$921,000 in fiscal year 2025 are
811.22 from the general fund for the Help Me
811.23 Connect program under Minnesota Statutes,
811.24 section 145.988.

811.25 **(i) Home visiting.** \$2,000,000 in fiscal year
811.26 2024 and \$2,000,000 in fiscal year 2025 are
811.27 from the general fund for home visiting under
811.28 Minnesota Statutes, section 145.87, to provide
811.29 home visiting to priority populations under
811.30 Minnesota Statutes, section 145.87,
811.31 subdivision 1, paragraph (e).

811.32 **(j) No Surprises Act enforcement.**
811.33 \$1,210,000 in fiscal year 2024 and \$1,090,000
811.34 in fiscal year 2025 are from the general fund
811.35 for implementation of the federal No Surprises

812.1 Act under Minnesota Statutes, section
812.2 62Q.021, and an assessment of the feasibility
812.3 of a statewide provider directory. The general
812.4 fund base for this appropriation is \$855,000
812.5 in fiscal year 2026 and \$855,000 in fiscal year
812.6 2027.

812.7 **(k) Office of African American Health.**
812.8 \$1,000,000 in fiscal year 2024 and \$1,000,000
812.9 in fiscal year 2025 are from the general fund
812.10 for grants under the authority of the Office of
812.11 African American Health under Minnesota
812.12 Statutes, section 144.0756.

812.13 **(l) Office of American Indian Health.**
812.14 \$1,000,000 in fiscal year 2024 and \$1,000,000
812.15 in fiscal year 2025 are from the general fund
812.16 for grants under the authority of the Office of
812.17 American Indian Health under Minnesota
812.18 Statutes, section 144.0757.

812.19 **(m) Public health system transformation**
812.20 **grants. (1) \$9,844,000 in fiscal year 2024 and**
812.21 **\$9,844,000 in fiscal year 2025 are from the**
812.22 **general fund for grants under Minnesota**
812.23 **Statutes, section 145A.131, subdivision 1,**
812.24 **paragraph (f).**

812.25 **(2) \$535,000 in fiscal year 2024 and \$535,000**
812.26 **in fiscal year 2025 are from the general fund**
812.27 **for grants under Minnesota Statutes, section**
812.28 **145A.14, subdivision 2b.**

812.29 **(3) \$321,000 in fiscal year 2024 and \$321,000**
812.30 **in fiscal year 2025 are from the general fund**
812.31 **for grants under Minnesota Statutes, section**
812.32 **144.0759.**

812.33 **(n) Health care workforce. (1) \$1,010,000**
812.34 **in fiscal year 2024 and \$2,550,000 in fiscal**

813.1 year 2025 are from the health care access fund
 813.2 for rural training tracks and rural clinicals
 813.3 grants under Minnesota Statutes, sections
 813.4 144.1505 and 144.1507. The base for this
 813.5 appropriation is \$4,060,000 in fiscal year 2026
 813.6 and \$3,600,000 in fiscal year 2027.

813.7 (2) \$420,000 in fiscal year 2024 and \$420,000
 813.8 in fiscal year 2025 are from the health care
 813.9 access fund for immigrant international
 813.10 medical graduate training grants under
 813.11 Minnesota Statutes, section 144.1911.

813.12 (3) \$5,654,000 in fiscal year 2024 and
 813.13 \$5,550,000 in fiscal year 2025 are from the
 813.14 health care access fund for site-based clinical
 813.15 training grants under Minnesota Statutes,
 813.16 section 144.1508. The base for this
 813.17 appropriation is \$4,657,000 in fiscal year 2026
 813.18 and \$3,451,000 in fiscal year 2027.

813.19 (4) \$1,000,000 in fiscal year 2024 and
 813.20 \$1,000,000 in fiscal year 2025 are from the
 813.21 health care access fund for mental health for
 813.22 health care professional grants. This is a
 813.23 onetime appropriation and is available until
 813.24 June 30, 2027.

813.25 (5) \$502,000 in fiscal year 2024 and \$502,000
 813.26 in fiscal year 2025 are from the health care
 813.27 access fund for workforce research and data
 813.28 analysis of shortages, maldistribution of health
 813.29 care providers in Minnesota, and the factors
 813.30 that influence decisions of health care
 813.31 providers to practice in rural areas of
 813.32 Minnesota.

813.33 (o) **School health.** \$800,000 in fiscal year
 813.34 2024 and \$1,300,000 in fiscal year 2025 are

814.1 from the general fund for grants under
814.2 Minnesota Statutes, section 145.903. The base
814.3 for this appropriation is \$2,300,000 in fiscal
814.4 year 2026 and \$2,300,000 in fiscal year 2027.

814.5 **(p) Long COVID.** \$3,146,000 in fiscal year
814.6 2024 and \$3,146,000 in fiscal year 2025 are
814.7 from the general fund for grants and to
814.8 implement Minnesota Statutes, section
814.9 145.361.

814.10 **(q) Workplace safety grants.** \$4,400,000 in
814.11 fiscal year 2024 is from the general fund for
814.12 grants to health care entities to improve
814.13 employee safety or security. This is a onetime
814.14 appropriation and is available until June 30,
814.15 2027. The commissioner may use up to ten
814.16 percent of this appropriation for
814.17 administration.

814.18 **(r) Clinical dental education innovation**
814.19 **grants.** \$1,122,000 in fiscal year 2024 and
814.20 \$1,122,000 in fiscal year 2025 are from the
814.21 general fund for clinical dental education
814.22 innovation grants under Minnesota Statutes,
814.23 section 144.1913.

814.24 **(s) Emmett Louis Till Victims Recovery**
814.25 **Program.** \$500,000 in fiscal year 2024 is from
814.26 the general fund for a grant to the Emmett
814.27 Louis Till Victims Recovery Program. The
814.28 commissioner must not use any of this
814.29 appropriation for administration. This is a
814.30 onetime appropriation and is available until
814.31 June 30, 2025.

814.32 **(t) Center for health care affordability.**
814.33 \$2,752,000 in fiscal year 2024 and \$3,989,000
814.34 in fiscal year 2025 are from the general fund

815.1 to establish a center for health care
815.2 affordability and to implement Minnesota
815.3 Statutes, section 62J.312. The general fund
815.4 base for this appropriation is \$3,988,000 in
815.5 fiscal year 2026 and \$3,988,000 in fiscal year
815.6 2027.

815.7 **(u) Federally qualified health centers**
815.8 **apprenticeship program. \$690,000 in fiscal**
815.9 **year 2024 and \$690,000 in fiscal year 2025**
815.10 **are from the general fund for grants under**
815.11 **Minnesota Statutes, section 145.9272.**

815.12 **(v) Alzheimer's public information**
815.13 **program. \$80,000 in fiscal year 2024 and**
815.14 **\$80,000 in fiscal year 2025 are from the**
815.15 **general fund for grants to community-based**
815.16 **organizations to co-create culturally specific**
815.17 **messages to targeted communities and to**
815.18 **promote public awareness materials online**
815.19 **through diverse media channels.**

815.20 **(w) Keeping Nurses at the Bedside Act;**
815.21 **contingent appropriation. The appropriations**
815.22 **in this paragraph are contingent upon**
815.23 **legislative enactment of 2023 Senate File 1384**
815.24 **by the 93rd Legislature. The appropriations**
815.25 **in this paragraph are available until June 30,**
815.26 **2027.**

815.27 **(1) \$5,317,000 in fiscal year 2024 and**
815.28 **\$5,317,000 in fiscal year 2025 are from the**
815.29 **general fund for loan forgiveness under**
815.30 **Minnesota Statutes, section 144.1501, for**
815.31 **eligible nurses who have agreed to work as**
815.32 **hospital nurses in accordance with Minnesota**
815.33 **Statutes, section 144.1501, subdivision 2,**
815.34 **paragraph (a), clause (7).**

816.1 (2) \$66,000 in fiscal year 2024 and \$66,000
816.2 in fiscal year 2025 are from the general fund
816.3 for loan forgiveness under Minnesota Statutes,
816.4 section 144.1501, for eligible nurses who have
816.5 agreed to teach in accordance with Minnesota
816.6 Statutes, section 144.1501, subdivision 2,
816.7 paragraph (a), clause (3).

816.8 (3) \$545,000 in fiscal year 2024 and \$879,000
816.9 in fiscal year 2025 are from the general fund
816.10 to administer Minnesota Statutes, section
816.11 144.7057; to perform the evaluation duties
816.12 described in Minnesota Statutes, section
816.13 144.7058; to continue prevention of violence
816.14 in health care program activities; to analyze
816.15 potential links between adverse events and
816.16 understaffing; to convene stakeholder groups
816.17 and create a best practices toolkit; and for a
816.18 report on the current status of the state's
816.19 nursing workforce employed by hospitals. The
816.20 base for this appropriation is \$624,000 in fiscal
816.21 year 2026 and \$454,000 in fiscal year 2027.

816.22 **(x) Supporting healthy development of**
816.23 **babies. \$260,000 in fiscal year 2024 and**
816.24 **\$260,000 in fiscal year 2025 are from the**
816.25 **general fund for a grant to the Amherst H.**
816.26 **Wilder Foundation for the African American**
816.27 **Babies Coalition initiative. The base for this**
816.28 **appropriation is \$520,000 in fiscal year 2026**
816.29 **and \$0 in fiscal year 2027. Any appropriation**
816.30 **in fiscal year 2026 is available until June 30,**
816.31 **2027. This paragraph expires on June 30,**
816.32 **2027.**

816.33 **(y) Health professional education loan**
816.34 **forgiveness. \$2,780,000 in fiscal year 2024**
816.35 **is from the general fund for eligible mental**

817.1 health professional loan forgiveness under
817.2 Minnesota Statutes, section 144.1501. This is
817.3 a onetime appropriation. The commissioner
817.4 may use up to ten percent of this appropriation
817.5 for administration.

817.6 **(z) Primary care residency expansion grant**
817.7 **program. \$400,000 in fiscal year 2024 and**
817.8 **\$400,000 in fiscal year 2025 are from the**
817.9 **general fund for a psychiatry resident under**
817.10 **Minnesota Statutes, section 144.1506.**

817.11 **(aa) Pediatric primary care mental health**
817.12 **training grant program. \$1,000,000 in fiscal**
817.13 **year 2024 and \$1,000,000 in fiscal year 2025**
817.14 **are from the general fund for grants under**
817.15 **Minnesota Statutes, section 144.1509. The**
817.16 **commissioner may use up to ten percent of**
817.17 **this appropriation for administration.**

817.18 **(bb) Mental health cultural community**
817.19 **continuing education grant program.**
817.20 **\$500,000 in fiscal year 2024 and \$500,000 in**
817.21 **fiscal year 2025 are from the general fund for**
817.22 **grants under Minnesota Statutes, section**
817.23 **144.1511. The commissioner may use up to**
817.24 **ten percent of this appropriation for**
817.25 **administration.**

817.26 **(cc) Labor trafficking services grant**
817.27 **program. \$500,000 in fiscal year 2024 and**
817.28 **\$500,000 in fiscal year 2025 are from the**
817.29 **general fund for grants under Minnesota**
817.30 **Statutes, section 144.3885.**

817.31 **(dd) Palliative Care Advisory Council.**
817.32 **\$40,000 in fiscal year 2024 and \$40,000 in**
817.33 **fiscal year 2025 are from the general fund for**

818.1 grants under Minnesota Statutes, section
818.2 144.059.

818.3 **(ee) Analysis of a universal health care**
818.4 **financing system.** \$1,815,000 in fiscal year
818.5 2024 and \$580,000 in fiscal year 2025 are
818.6 from the general fund to the commissioner to
818.7 contract for an analysis of the benefits and
818.8 costs of a legislative proposal for a universal
818.9 health care financing system and a similar
818.10 analysis of the current health care financing
818.11 system. The base for this appropriation is
818.12 \$580,000 in fiscal year 2026 and \$0 in fiscal
818.13 year 2027. This appropriation is available until
818.14 June 30, 2027.

818.15 **(ff) Charitable assets public interest review.**

818.16 (1) The appropriations under this paragraph
818.17 are contingent upon legislative enactment of
818.18 2023 House File 402 by the 93rd Legislature.

818.19 (2) \$1,584,000 in fiscal year 2024 and
818.20 \$769,000 in fiscal year 2025 are from the
818.21 general fund to review certain health care
818.22 entity transactions; to conduct analyses of the
818.23 impacts of health care transactions on health
818.24 care cost, quality, and competition; and to
818.25 issue public reports on health care transactions
818.26 in Minnesota and their impacts. The base for
818.27 this appropriation is \$710,000 in fiscal year
818.28 2026 and \$710,000 in fiscal year 2027.

818.29 **(gg) Study of the development of a statewide**
818.30 **registry for provider orders for**
818.31 **life-sustaining treatment.** \$365,000 in fiscal
818.32 year 2024 and \$365,000 in fiscal year 2025
818.33 are from the general fund for a study of the
818.34 development of a statewide registry for

- 819.1 provider orders for life-sustaining treatment.
- 819.2 This is a onetime appropriation.
- 819.3 **(hh) Task Force on Pregnancy Health and**
- 819.4 **Substance Use Disorders. \$199,000 in fiscal**
- 819.5 **year 2024 and \$100,000 in fiscal year 2025**
- 819.6 **are from the general fund for the Task Force**
- 819.7 **on Pregnancy Health and Substance Use**
- 819.8 **Disorders. This is a onetime appropriation and**
- 819.9 **is available until June 30, 2025.**
- 819.10 **(ii) 988 Suicide and crisis lifeline. \$4,000,000**
- 819.11 **in fiscal year 2024 is from the general fund**
- 819.12 **for 988 national suicide prevention lifeline**
- 819.13 **grants under Minnesota Statutes, section**
- 819.14 **145.561. This is a onetime appropriation.**
- 819.15 **(jj) Equitable Health Care Task Force.**
- 819.16 **\$779,000 in fiscal year 2024 and \$749,000 in**
- 819.17 **fiscal year 2025 are from the general fund for**
- 819.18 **the Equitable Health Care Task Force. This is**
- 819.19 **a onetime appropriation.**
- 819.20 **(kk) Psychedelic Medicine Task Force.**
- 819.21 **\$338,000 in fiscal year 2024 and \$171,000 in**
- 819.22 **fiscal year 2025 are from the general fund for**
- 819.23 **the Psychedelic Medicine Task Force. This is**
- 819.24 **a onetime appropriation.**
- 819.25 **(ll) Medical education and research costs.**
- 819.26 **\$300,000 in fiscal year 2024 and \$300,000 in**
- 819.27 **fiscal year 2025 are from the general fund for**
- 819.28 **the medical education and research costs**
- 819.29 **program under Minnesota Statutes, section**
- 819.30 **62J.692.**
- 819.31 **(mm) Special Guerilla Unit Veterans grant**
- 819.32 **program. \$250,000 in fiscal year 2024 and**
- 819.33 **\$250,000 in fiscal year 2025 are from the**
- 819.34 **general fund for a grant to the Special**

820.1 Guerrilla Units Veterans and Families of the
820.2 United States of America to offer
820.3 programming and culturally specific and
820.4 specialized assistance to support the health
820.5 and well-being of Special Guerilla Unit
820.6 Veterans. The base for this appropriation is
820.7 \$500,000 in fiscal year 2026 and \$0 in fiscal
820.8 year 2027. Any amount appropriated in fiscal
820.9 year 2026 is available until June 30, 2027.
820.10 This paragraph expires June 30, 2027.

820.11 **(nn) Safe harbor regional navigator.**
820.12 \$300,000 in fiscal year 2024 and \$300,000 in
820.13 fiscal year 2025 are for a regional navigator
820.14 in northwestern Minnesota. The commissioner
820.15 may use up to ten percent of this appropriation
820.16 for administration.

820.17 **(oo) Network adequacy.** \$798,000 in fiscal
820.18 year 2024 and \$491,000 in fiscal year 2025
820.19 are from the general fund for reviews of
820.20 provider networks under Minnesota Statutes,
820.21 section 62K.10, to determine network
820.22 adequacy.

820.23 **(pp)(1) TANF Appropriations.** TANF funds
820.24 must be used as follows:

820.25 (i) \$3,579,000 in fiscal year 2024 and
820.26 \$3,579,000 in fiscal year 2025 are from the
820.27 TANF fund for home visiting and nutritional
820.28 services listed under Minnesota Statutes,
820.29 section 145.882, subdivision 7, clauses (6) and
820.30 (7). Funds must be distributed to community
820.31 health boards according to Minnesota Statutes,
820.32 section 145A.131, subdivision 1;

820.33 (ii) \$2,000,000 in fiscal year 2024 and
820.34 \$2,000,000 in fiscal year 2025 are from the

821.1 TANF fund for decreasing racial and ethnic
821.2 disparities in infant mortality rates under
821.3 Minnesota Statutes, section 145.928,
821.4 subdivision 7;

821.5 (iii) \$4,978,000 in fiscal year 2024 and
821.6 \$4,978,000 in fiscal year 2025 are from the
821.7 TANF fund for the family home visiting grant
821.8 program under Minnesota Statutes, section
821.9 145A.17. \$4,000,000 of the funding in fiscal
821.10 year 2024 and \$4,000,000 in fiscal year 2025
821.11 must be distributed to community health
821.12 boards under Minnesota Statutes, section
821.13 145A.131, subdivision 1. \$978,000 of the
821.14 funding in fiscal year 2024 and \$978,000 in
821.15 fiscal year 2025 must be distributed to Tribal
821.16 governments under Minnesota Statutes, section
821.17 145A.14, subdivision 2a;

821.18 (iv) \$1,156,000 in fiscal year 2024 and
821.19 \$1,156,000 in fiscal year 2025 are from the
821.20 TANF fund for sexual and reproductive health
821.21 services grants under Minnesota Statutes,
821.22 section 145.925; and

821.23 (v) the commissioner may use up to 6.23
821.24 percent of the funds appropriated from the
821.25 TANF fund each fiscal year to conduct the
821.26 ongoing evaluations required under Minnesota
821.27 Statutes, section 145A.17, subdivision 7, and
821.28 training and technical assistance as required
821.29 under Minnesota Statutes, section 145A.17,
821.30 subdivisions 4 and 5.

821.31 **(2) TANF Carryforward.** Any unexpended
821.32 balance of the TANF appropriation in the first
821.33 year does not cancel but is available in the
821.34 second year.

822.1 (qq) **Base level adjustments.** The general
 822.2 fund base is \$197,644,000 in fiscal year 2026
 822.3 and \$195,714,000 in fiscal year 2027. The
 822.4 health care access fund base is \$53,354,000
 822.5 in fiscal year 2026 and \$50,962,000 in fiscal
 822.6 year 2027.

822.7 **Subd. 3. Health Protection**

822.8	<u>Appropriations by Fund</u>		
822.9	<u>General</u>	<u>38,125,000</u>	<u>36,030,000</u>
822.10	<u>State Government</u>		
822.11	<u>Special Revenue</u>	<u>72,282,000</u>	<u>73,522,000</u>

822.12 (a) **Climate resiliency.** \$506,000 in fiscal year
 822.13 2024 and \$506,000 in fiscal year 2025 are
 822.14 from the general fund for activities under
 822.15 Minnesota Statutes, section 144.9981.

822.16 (b) **Lead remediation in schools and child**
 822.17 **care settings.** \$146,000 in fiscal year 2024
 822.18 and \$239,000 in fiscal year 2025 are from the
 822.19 general fund for grants under Minnesota
 822.20 Statutes, section 145.9275.

822.21 (c) **MinnesotaOne Health Antimicrobial**
 822.22 **Stewardship Collaborative.** \$312,000 in
 822.23 fiscal year 2024 and \$312,000 in fiscal year
 822.24 2025 are from the general fund for the
 822.25 Minnesota One Health Antibiotic Stewardship
 822.26 Collaborative under Minnesota Statutes,
 822.27 section 144.0526.

822.28 (d) **Skin-lightening products public**
 822.29 **awareness and education grant.** \$100,000
 822.30 in fiscal year 2024 and \$100,000 in fiscal year
 822.31 2025 are from the general fund for a grant to
 822.32 the Beautywell Project for public awareness
 822.33 and education activities to address issues of
 822.34 colorism, skin-lightening products, and

- 823.1 chemical exposures from these products. This
823.2 is a onetime appropriation.
- 823.3 **(e) Comprehensive Overdose and Morbidity**
823.4 **Prevention Act; public health laboratory**
823.5 **and infectious disease prevention.**
- 823.6 \$2,432,000 in fiscal year 2024 and \$1,732,000
823.7 in fiscal year 2025 are from the general fund
823.8 for comprehensive overdose and morbidity
823.9 prevention strategies under Minnesota
823.10 Statutes, section 144.0528.
- 823.11 **(f) HIV prevention health equity. \$2,267,000**
823.12 in fiscal year 2024 and \$2,267,000 in fiscal
823.13 year 2025 are from the general fund for equity
823.14 in HIV prevention. This is a onetime
823.15 appropriation.
- 823.16 **(g) Green burials and natural organic**
823.17 **reduction study and report. \$132,000 in**
823.18 fiscal year 2024 is from the general fund for
823.19 a study and report on green burials and a study
823.20 on natural organic reduction.
- 823.21 **(h) Uninsured and underinsured adult**
823.22 **vaccine program. \$1,470,000 in fiscal year**
823.23 **2024 and \$1,470,000 in fiscal year 2025 are**
823.24 **from the general fund for the program for**
823.25 **vaccines for uninsured and underinsured**
823.26 **adults. This is a onetime appropriation.**
- 823.27 **(i) Transfer to public health response**
823.28 **contingency account. The commissioner shall**
823.29 **transfer \$2,500,000 in fiscal year 2024 from**
823.30 **the general fund to the public health response**
823.31 **contingency account established in Minnesota**
823.32 **Statutes, section 144.4199. This is a onetime**
823.33 **transfer.**

824.1 (j) Base level adjustments. The general fund
 824.2 base is \$32,332,000 in fiscal year 2026 and
 824.3 \$32,162,000 in fiscal year 2027. The state
 824.4 government special revenue fund base is
 824.5 \$73,391,000 in fiscal year 2026 and
 824.6 \$73,391,000 in fiscal year 2027.

824.7 Subd. 4. Health Operations 19,642,000 19,555,000

824.8 (a) Cultural communications program.
 824.9 \$1,150,000 in fiscal year 2024 and \$1,150,000
 824.10 in fiscal year 2025 are for the cultural
 824.11 communications program established in
 824.12 Minnesota Statutes, section 144.0752.

824.13 (b) Carryforward authority.
 824.14 Notwithstanding Minnesota Statutes, section
 824.15 16E.21, subdivision 4, the amount transferred
 824.16 to the information and telecommunications
 824.17 account under Minnesota Statutes, section
 824.18 16E.21, subdivision 2, for the business process
 824.19 automation and external website
 824.20 modernization projects approved by the
 824.21 Legislative Advisory Commission on June 24,
 824.22 2019, is available until June 30, 2024.

824.23 Sec. 4. HEALTH-RELATED BOARDS

824.24 Subdivision 1. Total Appropriation \$ 31,304,000 \$ 32,040,000

824.25 Appropriations by Fund

824.26 General 468,000 468,000

824.27 State Government

824.28 Special Revenue 30,760,000 31,534,000

824.29 Health Care Access 76,000 38,000

824.30 This appropriation is from the state
 824.31 government special revenue fund unless
 824.32 specified otherwise. The amounts that may be
 824.33 spent for each purpose are specified in the
 824.34 following subdivisions.

825.1	<u>Subd. 2. Board of Behavioral Health and</u>		
825.2	<u>Therapy</u>	<u>1,022,000</u>	<u>1,044,000</u>
825.3	<u>Subd. 3. Board of Chiropractic Examiners</u>	<u>773,000</u>	<u>790,000</u>
825.4	<u>Subd. 4. Board of Dentistry</u>	<u>4,100,000</u>	<u>4,163,000</u>
825.5	<u>(a) Administrative services unit; operating</u>		
825.6	<u>costs. Of this appropriation, \$1,936,000 in</u>		
825.7	<u>fiscal year 2024 and \$1,960,000 in fiscal year</u>		
825.8	<u>2025 are for operating costs of the</u>		
825.9	<u>administrative services unit. The</u>		
825.10	<u>administrative services unit may receive and</u>		
825.11	<u>expend reimbursements for services it</u>		
825.12	<u>performs for other agencies.</u>		
825.13	<u>(b) Administrative services unit; volunteer</u>		
825.14	<u>health care provider program. Of this</u>		
825.15	<u>appropriation, \$150,000 in fiscal year 2024</u>		
825.16	<u>and \$150,000 in fiscal year 2025 are to pay</u>		
825.17	<u>for medical professional liability coverage</u>		
825.18	<u>required under Minnesota Statutes, section</u>		
825.19	<u>214.40.</u>		
825.20	<u>(c) Administrative services unit; retirement</u>		
825.21	<u>costs. Of this appropriation, \$237,000 in fiscal</u>		
825.22	<u>year 2024 and \$237,000 in fiscal year 2025</u>		
825.23	<u>are for the administrative services unit to pay</u>		
825.24	<u>for the retirement costs of health-related board</u>		
825.25	<u>employees. This funding may be transferred</u>		
825.26	<u>to the health board incurring retirement costs.</u>		
825.27	<u>Any board that has an unexpended balance for</u>		
825.28	<u>an amount transferred under this paragraph</u>		
825.29	<u>shall transfer the unexpended amount to the</u>		
825.30	<u>administrative services unit. If the amount</u>		
825.31	<u>appropriated in the first year of the biennium</u>		
825.32	<u>is not sufficient, the amount from the second</u>		
825.33	<u>year of the biennium is available.</u>		
825.34	<u>(d) Administrative services unit; contested</u>		
825.35	<u>cases and other legal proceedings. Of this</u>		

826.1 appropriation, \$200,000 in fiscal year 2024
 826.2 and \$200,000 in fiscal year 2025 are for costs
 826.3 of contested case hearings and other
 826.4 unanticipated costs of legal proceedings
 826.5 involving health-related boards under this
 826.6 section. Upon certification by a health-related
 826.7 board to the administrative services unit that
 826.8 unanticipated costs for legal proceedings will
 826.9 be incurred and that available appropriations
 826.10 are insufficient to pay for the unanticipated
 826.11 costs for that board, the administrative services
 826.12 unit is authorized to transfer money from this
 826.13 appropriation to the board for payment of costs
 826.14 for contested case hearings and other
 826.15 unanticipated costs of legal proceedings with
 826.16 the approval of the commissioner of
 826.17 management and budget. The commissioner
 826.18 of management and budget must require any
 826.19 board that has an unexpended balance or an
 826.20 amount transferred under this paragraph to
 826.21 transfer the unexpended amount to the
 826.22 administrative services unit to be deposited in
 826.23 the state government special revenue fund.

826.24 **Subd. 5. Board of Dietetics and Nutrition**
 826.25 **Practice**

213,000

217,000

826.26 **Subd. 6. Board of Executives for Long-term**
 826.27 **Services and Supports**

705,000

736,000

826.28 **Subd. 7. Board of Marriage and Family Therapy**

443,000

456,000

826.29 **Subd. 8. Board of Medical Practice**

5,779,000

5,971,000

826.30 **Subd. 9. Board of Nursing**

6,039,000

6,275,000

826.31 **Subd. 10. Board of Occupational Therapy**
 826.32 **Practice**

480,000

480,000

826.33 **Subd. 11. Board of Optometry**

270,000

280,000

826.34 **Subd. 12. Board of Pharmacy**

827.1	<u>Appropriations by Fund</u>		
827.2	<u>General</u>	<u>468,000</u>	<u>468,000</u>
827.3	<u>State Government</u>		
827.4	<u>Special Revenue</u>	<u>5,226,000</u>	<u>5,206,000</u>
827.5	<u>Health Care Access</u>	<u>76,000</u>	<u>38,000</u>
827.6	<u>(a) Medication repository program.</u>		
827.7	<u>\$450,000 in fiscal year 2024 and \$450,000 in</u>		
827.8	<u>fiscal year 2025 are from the general fund for</u>		
827.9	<u>a contract under Minnesota Statutes, section</u>		
827.10	<u>151.555.</u>		
827.11	<u>(b) Base level adjustment.</u> The state		
827.12	<u>government special revenue fund base is</u>		
827.13	<u>\$5,056,000 in fiscal year 2026 and \$5,056,000</u>		
827.14	<u>in fiscal year 2027. The health care access</u>		
827.15	<u>fund base is \$0 in fiscal year 2026 and \$0 in</u>		
827.16	<u>fiscal year 2027.</u>		
827.17	<u>Subd. 13. Board of Physical Therapy</u>	<u>678,000</u>	<u>694,000</u>
827.18	<u>Subd. 14. Board of Podiatric Medicine</u>	<u>253,000</u>	<u>257,000</u>
827.19	<u>Subd. 15. Board of Psychology</u>	<u>2,618,000</u>	<u>2,734,000</u>
827.20	<u>Health professionals service program.</u> This		
827.21	<u>appropriation includes \$1,234,000 in fiscal</u>		
827.22	<u>year 2024 and \$1,324,000 in fiscal year 2025</u>		
827.23	<u>for the health professional services program.</u>		
827.24	<u>Subd. 16. Board of Social Work</u>	<u>1,779,000</u>	<u>1,839,000</u>
827.25	<u>Subd. 17. Board of Veterinary Medicine</u>	<u>382,000</u>	<u>392,000</u>
827.26	<u>Sec. 5. EMERGENCY MEDICAL SERVICES</u>		
827.27	<u>REGULATORY BOARD</u>	<u>\$ 6,800,000</u>	<u>\$ 6,176,000</u>
827.28	<u>(a) Cooper/Sams volunteer ambulance</u>		
827.29	<u>program.</u> <u>\$950,000 in fiscal year 2024 and</u>		
827.30	<u>\$950,000 in fiscal year 2025 are for the</u>		
827.31	<u>Cooper/Sams volunteer ambulance program</u>		
827.32	<u>under Minnesota Statutes, section 144E.40.</u>		
827.33	<u>(1) Of this amount, \$861,000 in fiscal year</u>		
827.34	<u>2024 and \$861,000 in fiscal year 2025 are for</u>		

828.1 the ambulance service personnel longevity
828.2 award and incentive program under Minnesota
828.3 Statutes, section 144E.40.

828.4 (2) Of this amount, \$89,000 in fiscal year 2024
828.5 and \$89,000 in fiscal year 2025 are for
828.6 operations of the ambulance service personnel
828.7 longevity award and incentive program under
828.8 Minnesota Statutes, section 144E.40.

828.9 **(b) Operations.** \$2,421,000 in fiscal year 2024
828.10 and \$2,480,000 in fiscal year 2025 are for
828.11 board operations.

828.12 **(c) Emergency medical services fund.**
828.13 \$1,385,000 in fiscal year 2024 and \$1,385,000
828.14 in fiscal year 2025 are for distribution to
828.15 regional emergency medical services systems
828.16 for the purposes specified in Minnesota
828.17 Statutes, section 144E.50. Notwithstanding
828.18 Minnesota Statutes, section 144E.50,
828.19 subdivision 5, in each year the board must
828.20 distribute this appropriation equally among
828.21 the eight emergency medical services systems
828.22 designated by the board. The base for this
828.23 appropriation is \$2,185,000 in fiscal year 2026
828.24 and \$585,000 in fiscal year 2027.

828.25 **(d) Ambulance training grants.** \$361,000 in
828.26 fiscal year 2024 and \$361,000 in fiscal year
828.27 2025 are for training grants under Minnesota
828.28 Statutes, section 144E.35.

828.29 **(e) Medical resource communication center**
828.30 **grants.** \$1,683,000 in fiscal year 2024 and
828.31 \$1,000,000 in fiscal year 2025 are for medical
828.32 resource communication center grants under
828.33 Minnesota Statutes, section 144E.53.

829.1 (f) Base level adjustment. The general fund
 829.2 base is \$6,976,000 in fiscal year 2026 and
 829.3 \$5,376,000 in fiscal year 2027.

829.4 Sec. 6. OMBUDSPERSON FOR FAMILIES \$ 759,000 \$ 776,000

829.5 Sec. 7. OMBUDSPERSON FOR AMERICAN
 829.6 INDIAN FAMILIES \$ 336,000 \$ 340,000

829.7 Sec. 8. OFFICE OF THE FOSTER YOUTH
 829.8 OMBUDSPERSON \$ 842,000 \$ 759,000

829.9 Sec. 9. BOARD OF DIRECTORS OF MNSURE

829.10 Appropriations by Fund

829.11 General 11,095,000 14,317,000

829.12 Health Care Access 800,000 -0-

829.13 (a) Technology modernization. \$11,025,000
 829.14 in fiscal year 2024 and \$14,247,000 in fiscal
 829.15 year 2025 are from the general fund to
 829.16 establish a single end-to-end information
 829.17 technology system with seamless, real-time
 829.18 interoperability between qualified health plan
 829.19 eligibility and enrollment services. This is a
 829.20 onetime appropriation.

829.21 (b) Easy enrollment. \$70,000 in fiscal year
 829.22 2024 and \$70,000 in fiscal year 2025 are from
 829.23 the general fund to implement easy enrollment.

829.24 (c) Transfer. The Board of Directors of
 829.25 MNsure must transfer \$11,095,000 in fiscal
 829.26 year 2024 and \$14,317,000 in fiscal year 2025
 829.27 from the general fund to the enterprise account
 829.28 under Minnesota Statutes, section 62V.07. The
 829.29 base for this transfer is \$70,000 in fiscal year
 829.30 2026 and \$70,000 in fiscal year 2027.

829.31 (d) Minnesota insulin safety net public
 829.32 awareness campaign. \$800,000 in fiscal year
 829.33 2024 is from the health care access fund for a
 829.34 public awareness campaign for the insulin

830.1 safety net program under Minnesota Statutes,
 830.2 section 151.74. This is a onetime appropriation
 830.3 and is available until June 30, 2027.

830.4 (e) **Base level adjustment.** The general fund
 830.5 base is \$70,000 in fiscal year 2026 and
 830.6 \$70,000 in fiscal year 2027.

830.7 Sec. 10. **RARE DISEASE ADVISORY**
 830.8 **COUNCIL**

\$ 314,000 \$ 326,000

830.9 Sec. 11. **COMMISSIONER OF REVENUE**

\$ 40,000 \$ 4,000

830.10 **Easy enrollment.** \$40,000 in fiscal year 2024
 830.11 and \$4,000 in fiscal year 2025 are for the
 830.12 administrative costs associated with the easy
 830.13 enrollment program.

830.14 Sec. 12. **COMMISSIONER OF**
 830.15 **MANAGEMENT AND BUDGET**

\$ 12,932,000 \$ 3,412,000

830.16 (a) **Outcomes and evaluation consultation.**
 830.17 \$450,000 in fiscal year 2024 and \$450,000 in
 830.18 fiscal year 2025 are for outcomes and
 830.19 evaluation consultation requirements.

830.20 (b) **Department of Children, Youth, and**
 830.21 **Families.** \$11,931,000 in fiscal year 2024 and
 830.22 \$2,066,000 in fiscal year 2025 are to establish
 830.23 the Department of Children, Youth, and
 830.24 Families. This is a onetime appropriation.

830.25 (c) **Keeping Nurses at the Bedside Act**
 830.26 **impact evaluation; contingent**
 830.27 **appropriation.** \$232,000 in fiscal year 2025
 830.28 is for the Keeping Nurses at the Bedside Act
 830.29 impact evaluation. This appropriation is
 830.30 contingent upon legislative enactment of 2023
 830.31 Senate File 1384 by the 93rd Legislature. This
 830.32 is a onetime appropriation and is available
 830.33 until June 30, 2029.

831.1 (d) Health care subcabinet. \$551,000 in
 831.2 fiscal year 2024 and \$664,000 in fiscal year
 831.3 2025 are to hire an executive director for the
 831.4 health care subcabinet and to provide staffing
 831.5 and administrative support for the health care
 831.6 subcabinet.

831.7 (e) Base level adjustment. The general fund
 831.8 base is \$1,114,000 in fiscal year 2026 and
 831.9 \$1,114,000 in fiscal year 2027.

831.10	Sec. 13. <u>COMMISSIONER OF CHILDREN,</u>			
831.11	<u>YOUTH, AND FAMILIES</u>	\$	<u>823,000</u>	\$ <u>3,521,000</u>

831.12	Sec. 14. <u>COMMISSIONER OF COMMERCE</u>	\$	<u>-0-</u>	\$ <u>17,000</u>
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831.13 (a) Defrayal of costs for mandated coverage
 831.14 of biomarker testing. \$17,000 in fiscal year
 831.15 2025 is for administrative costs to implement
 831.16 mandated coverage of biomarker testing to
 831.17 diagnose, treat, manage, and monitor illness
 831.18 or disease. The base for this appropriation is
 831.19 \$2,611,000 in fiscal year 2026 and \$2,611,000
 831.20 in fiscal year 2027. The base includes
 831.21 \$2,594,000 in fiscal year 2026 and \$2,594,000
 831.22 in fiscal year 2027 for defrayal of costs for
 831.23 mandated coverage of biomarker testing to
 831.24 diagnose, treat, manage, and monitor illness
 831.25 or disease.

831.26 (b) Base level adjustment. The general fund
 831.27 base is \$2,611,000 in fiscal year 2026 and
 831.28 \$2,611,000 in fiscal year 2027.

831.29	Sec. 15. <u>COMMISSIONER OF LABOR AND</u>			
831.30	<u>INDUSTRY.</u>	\$	<u>68,000</u>	\$ <u>72,000</u>

831.31 This appropriation is contingent upon
 831.32 legislative enactment of 2023 Senate File 1384
 831.33 by the 93rd Legislature. This appropriation is
 831.34 available until June 30, 2025.

832.1 **Base level adjustment.** The general fund base
832.2 is \$1,793,000 in fiscal year 2026 and
832.3 \$1,790,000 in fiscal year 2027.

832.4 Sec. 16. **REDUCTIONS IN APPROPRIATIONS, CANCELLATIONS, AND**
832.5 **REAPPROPRIATIONS.**

832.6 Subdivision 1. **Transition to community initiative.** (a) The general fund appropriations
832.7 in Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 31, are
832.8 reduced by \$3,043,000 in fiscal year 2022 and by \$3,500,000 in fiscal years 2023 and those
832.9 amounts are canceled to the general fund.

832.10 (b) This act includes \$9,971,000 in fiscal year 2024 from the general fund to the
832.11 commissioner of human services for the transition to community initiative under Minnesota
832.12 Statutes, section 256.478. This appropriation is available until June 30, 2027.

832.13 Subd. 2. **Intensive residential treatment services.** (a) The fiscal year 2023 general
832.14 fund appropriation in Laws 2022, chapter 99, article 3, section 7, is reduced by \$2,914,000
832.15 and that amount is canceled to the general fund.

832.16 (b) The general fund base for the appropriation in Laws 2022, chapter 99, article 3,
832.17 section 7, is reduced by \$180,000 in fiscal 2024.

832.18 (c) This act includes \$2,796,000 in fiscal year 2024 from the general fund to the
832.19 commissioner of human services for start-up funds to intensive residential treatment service
832.20 providers to provide treatment in locked facilities for patients who have been transferred
832.21 from a jail or who have been deemed incompetent to stand trial and a judge has determined
832.22 that the patient needs to be in a secure facility.

832.23 Subd. 3. **Evidence-based children's mental health grants.** (a) The fiscal year 2023
832.24 general fund appropriation in Laws 2021, First Special Session chapter 7, article 16, section
832.25 2, subdivision 32, is reduced by \$625,000 and that amount is canceled to the general fund.

832.26 (b) This act includes \$625,000 in fiscal year 2024 from the general fund to the
832.27 commissioner of human services for evidence-based children's mental health grants under
832.28 Minnesota Statutes, section 245.4889.

832.29 Subd. 4. **Psychiatric residential treatment facility and child and adolescent mobile**
832.30 **transition unit.** The general fund appropriations in Laws 2021, First Special Session chapter
832.31 7, article 16, section 2, subdivision 32, are reduced by \$928,000 in fiscal year 2022 and by
832.32 \$2,500,000 in fiscal year 2023 and those amounts are canceled to the general fund.

833.1 **EFFECTIVE DATE.** The fiscal year 2023 appropriation reductions and cancellations
833.2 in this section are effective the day following final enactment, or retroactively from June
833.3 30, 2023, whichever is earlier.

833.4 Sec. 17. Laws 2021, First Special Session chapter 7, article 17, section 6, as amended by
833.5 Laws 2022, chapter 98, article 15, section 10, is amended to read:

833.6 Sec. 6. **TRANSITION TO COMMUNITY INITIATIVE.**

833.7 (a) This act includes ~~\$5,500,000~~ \$2,457,000 in fiscal year 2022 and ~~\$5,500,000~~
833.8 \$2,000,000 in fiscal year 2023 for additional funding for grants awarded under the transition
833.9 to community initiative described in Minnesota Statutes, section 256.478. Any unexpended
833.10 amount in fiscal year 2022 is available through June 30, 2023. The general fund base in this
833.11 act for this purpose is \$4,125,000 in fiscal year 2024 and \$0 in fiscal year 2025.

833.12 (b) All grant activities must be completed by March 31, 2024.

833.13 (c) This section expires June 30, 2024.

833.14 **EFFECTIVE DATE.** This section is effective the day following final enactment or
833.15 retroactively from June 30, 2023, whichever is earlier.

833.16 Sec. 18. Laws 2021, First Special Session chapter 7, article 17, section 12, as amended
833.17 by Laws 2022, chapter 98, article 15, section 13, and Laws 2022, chapter 99, article 1,
833.18 section 43, is amended to read:

833.19 Sec. 12. **ADULT AND CHILDREN'S MOBILE TRANSITION UNITS.**

833.20 (a) This act includes ~~\$2,500,000~~ \$1,572,000 in fiscal year 2022 and ~~\$2,500,000~~ \$0 in
833.21 fiscal year 2023 for the commissioner of human services to create adult and children's mental
833.22 health transition and support teams to facilitate transition back to the community or to the
833.23 least restrictive level of care from inpatient psychiatric settings, emergency departments,
833.24 residential treatment facilities, and child and adolescent behavioral health hospitals. Any
833.25 unexpended amount in fiscal year 2022 is available through June 30, 2023. The general
833.26 fund base included in this act for this purpose is \$1,875,000 in fiscal year 2024 and \$0 in
833.27 fiscal year 2025.

833.28 (b) Beginning April 1, 2024, counties may fund and continue conducting activities
833.29 funded under this section.

833.30 (c) This section expires March 31, 2024.

834.1 **EFFECTIVE DATE.** This section is effective the day following final enactment or
 834.2 retroactively from June 30, 2023, whichever is earlier.

834.3 Sec. 19. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32,
 834.4 as amended by Laws 2022, chapter 98, article 15, section 7, subdivision 32, is amended to
 834.5 read:

834.6 Subd. 32. **Grant Programs; Child Mental Health**
 834.7 **Grants** 30,167,000 30,182,000

834.8 (a) **Children's Residential Facilities.**
 834.9 \$1,964,000 in fiscal year 2022 and \$1,979,000
 834.10 in fiscal year 2023 are to reimburse counties
 834.11 and Tribal governments for a portion of the
 834.12 costs of treatment in children's residential
 834.13 facilities. The commissioner shall distribute
 834.14 the appropriation to counties and Tribal
 834.15 governments proportionally based on a
 834.16 methodology developed by the commissioner.
 834.17 ~~The fiscal year 2022 appropriation is available~~
 834.18 ~~until June 30, 2023~~ base for this appropriation
 834.19 is \$0 in fiscal year 2025.

834.20 (b) **Base Level Adjustment.** The general fund
 834.21 base is \$29,580,000 in fiscal year 2024 and
 834.22 ~~\$27,705,000~~ \$25,726,000 in fiscal year 2025.

834.23 Sec. 20. Laws 2021, First Special Session chapter 7, article 16, section 3, subdivision 2,
 834.24 as amended by Laws 2022, chapter 98, article 1, section 68, is amended to read:

834.25 Subd. 2. **Health Improvement**

834.26	Appropriations by Fund		
834.27			124,000,000
834.28	General	123,714,000	<u>122,800,000</u>
834.29	State Government		
834.30	Special Revenue	11,967,000	11,290,000
834.31	Health Care Access	37,512,000	36,832,000
834.32	Federal TANF	11,713,000	11,713,000

834.33 (a) **TANF Appropriations.** (1) \$3,579,000 in
 834.34 fiscal year 2022 and \$3,579,000 in fiscal year

835.1 2023 are from the TANF fund for home
835.2 visiting and nutritional services listed under
835.3 Minnesota Statutes, section 145.882,
835.4 subdivision 7, clauses (6) and (7). Funds must
835.5 be distributed to community health boards
835.6 according to Minnesota Statutes, section
835.7 145A.131, subdivision 1;

835.8 (2) \$2,000,000 in fiscal year 2022 and
835.9 \$2,000,000 in fiscal year 2023 are from the
835.10 TANF fund for decreasing racial and ethnic
835.11 disparities in infant mortality rates under
835.12 Minnesota Statutes, section 145.928,
835.13 subdivision 7;

835.14 (3) \$4,978,000 in fiscal year 2022 and
835.15 \$4,978,000 in fiscal year 2023 are from the
835.16 TANF fund for the family home visiting grant
835.17 program according to Minnesota Statutes,
835.18 section 145A.17. \$4,000,000 of the funding
835.19 in each fiscal year must be distributed to
835.20 community health boards according to
835.21 Minnesota Statutes, section 145A.131,
835.22 subdivision 1. \$978,000 of the funding in each
835.23 fiscal year must be distributed to tribal
835.24 governments according to Minnesota Statutes,
835.25 section 145A.14, subdivision 2a;

835.26 (4) \$1,156,000 in fiscal year 2022 and
835.27 \$1,156,000 in fiscal year 2023 are from the
835.28 TANF fund for family planning grants under
835.29 Minnesota Statutes, section 145.925; and

835.30 (5) the commissioner may use up to 6.23
835.31 percent of the funds appropriated from the
835.32 TANF fund each fiscal year to conduct the
835.33 ongoing evaluations required under Minnesota
835.34 Statutes, section 145A.17, subdivision 7, and
835.35 training and technical assistance as required

836.1 under Minnesota Statutes, section 145A.17,
836.2 subdivisions 4 and 5.

836.3 **(b) TANF Carryforward.** Any unexpended
836.4 balance of the TANF appropriation in the first
836.5 year of the biennium does not cancel but is
836.6 available for the second year.

836.7 **(c) Tribal Public Health Grants.** \$500,000
836.8 in fiscal year 2022 and \$500,000 in fiscal year
836.9 2023 are from the general fund for Tribal
836.10 public health grants under Minnesota Statutes,
836.11 section 145A.14, for public health
836.12 infrastructure projects as defined by the Tribal
836.13 government.

836.14 **(d) Public Health Infrastructure Funds.**
836.15 \$6,000,000 in fiscal year 2022 and \$6,000,000
836.16 in fiscal year 2023 are from the general fund
836.17 for public health infrastructure funds to
836.18 distribute to community health boards and
836.19 Tribal governments to support their ability to
836.20 meet national public health standards.

836.21 **(e) Public Health System Assessment and**
836.22 **Oversight.** \$1,500,000 in fiscal year 2022 and
836.23 \$1,500,000 in fiscal year 2023 are from the
836.24 general fund for the commissioner to assess
836.25 the capacity of the public health system to
836.26 meet national public health standards and
836.27 oversee public health system improvement
836.28 efforts.

836.29 **(f) Health Professional Education Loan**
836.30 **Forgiveness.** Notwithstanding the priorities
836.31 and distribution requirements under Minnesota
836.32 Statutes, section 144.1501, \$3,000,000 in
836.33 fiscal year 2022 and \$3,000,000 in fiscal year
836.34 2023 are from the general fund for loan

837.1 forgiveness under article 3, section 43, for
837.2 individuals who are eligible alcohol and drug
837.3 counselors, eligible medical residents, or
837.4 eligible mental health professionals, as defined
837.5 in article 3, section 43. The general fund base
837.6 for this appropriation is \$2,625,000 in fiscal
837.7 year 2024 and \$0 in fiscal year 2025. The
837.8 health care access fund base for this
837.9 appropriation is \$875,000 in fiscal year 2024,
837.10 \$3,500,000 in fiscal year 2025, and \$0 in fiscal
837.11 year 2026. The general fund amounts in this
837.12 paragraph are available until March 31, 2024.
837.13 This paragraph expires on April 1, 2024.

837.14 **(g) Mental Health Cultural Community**
837.15 **Continuing Education Grant Program.**
837.16 \$500,000 in fiscal year 2022 and \$500,000 in
837.17 fiscal year 2023 are from the general fund for
837.18 the mental health cultural community
837.19 continuing education grant program. This is
837.20 a onetime appropriation

837.21 **(h) Birth Records; Homeless Youth.** \$72,000
837.22 in fiscal year 2022 and \$32,000 in fiscal year
837.23 2023 are from the state government special
837.24 revenue fund for administration and issuance
837.25 of certified birth records and statements of no
837.26 vital record found to homeless youth under
837.27 Minnesota Statutes, section 144.2255.

837.28 **(i) Supporting Healthy Development of**
837.29 **Babies During Pregnancy and Postpartum.**
837.30 \$260,000 in fiscal year 2022 and \$260,000 in
837.31 fiscal year 2023 are from the general fund for
837.32 a grant to the Amherst H. Wilder Foundation
837.33 for the African American Babies Coalition
837.34 initiative for community-driven training and
837.35 education on best practices to support healthy

838.1 development of babies during pregnancy and
838.2 postpartum. Grant funds must be used to build
838.3 capacity in, train, educate, or improve
838.4 practices among individuals, from youth to
838.5 elders, serving families with members who
838.6 are Black, indigenous, or people of color,
838.7 during pregnancy and postpartum. This is a
838.8 onetime appropriation and is available until
838.9 June 30, 2023.

838.10 **(j) Dignity in Pregnancy and Childbirth.**
838.11 \$494,000 in fiscal year 2022 and \$200,000 in
838.12 fiscal year 2023 are from the general fund for
838.13 purposes of Minnesota Statutes, section
838.14 144.1461. Of this appropriation: (1) \$294,000
838.15 in fiscal year 2022 is for a grant to the
838.16 University of Minnesota School of Public
838.17 Health's Center for Antiracism Research for
838.18 Health Equity, to develop a model curriculum
838.19 on anti-racism and implicit bias for use by
838.20 hospitals with obstetric care and birth centers
838.21 to provide continuing education to staff caring
838.22 for pregnant or postpartum women. The model
838.23 curriculum must be evidence-based and must
838.24 meet the criteria in Minnesota Statutes, section
838.25 144.1461, subdivision 2, paragraph (a); and
838.26 (2) \$200,000 in fiscal year 2022 and \$200,000
838.27 in fiscal year 2023 are for purposes of
838.28 Minnesota Statutes, section 144.1461,
838.29 subdivision 3.

838.30 **(k) Congenital Cytomegalovirus (CMV).** (1)
838.31 \$196,000 in fiscal year 2022 and \$196,000 in
838.32 fiscal year 2023 are from the general fund for
838.33 outreach and education on congenital
838.34 cytomegalovirus (CMV) under Minnesota
838.35 Statutes, section 144.064.

839.1 (2) Contingent on the Advisory Committee on
839.2 Heritable and Congenital Disorders
839.3 recommending and the commissioner of health
839.4 approving inclusion of CMV in the newborn
839.5 screening panel in accordance with Minnesota
839.6 Statutes, section 144.065, subdivision 3,
839.7 paragraph (d), \$656,000 in fiscal year 2023 is
839.8 from the state government special revenue
839.9 fund for follow-up services.

839.10 (l) **Nonnarcotic Pain Management and**
839.11 **Wellness.** \$649,000 in fiscal year 2022 is from
839.12 the general fund for nonnarcotic pain
839.13 management and wellness in accordance with
839.14 Laws 2019, chapter 63, article 3, section 1,
839.15 paragraph (n).

839.16 (m) **Base Level Adjustments.** The general
839.17 fund base is \$121,201,000 in fiscal year 2024
839.18 and \$116,344,000 in fiscal year 2025, of which
839.19 \$750,000 in fiscal year 2024 and \$750,000 in
839.20 fiscal year 2025 are for fetal alcohol spectrum
839.21 disorders prevention grants under Minnesota
839.22 Statutes, section 145.267. The health care
839.23 access fund base is \$38,385,000 in fiscal year
839.24 2024 and \$40,644,000 in fiscal year 2025.

839.25 Sec. 21. Laws 2021, First Special Session chapter 7, article 16, section 28, as amended
839.26 by Laws 2022, chapter 40, section 1, is amended to read:

839.27 Sec. 28. **CONTINGENT APPROPRIATIONS.**

839.28 Any appropriation in this act for a purpose included in Minnesota's initial state spending
839.29 plan as described in guidance issued by the Centers for Medicare and Medicaid Services
839.30 for implementation of section 9817 of the federal American Rescue Plan Act of 2021 is
839.31 contingent upon the initial approval of that purpose by the Centers for Medicare and Medicaid
839.32 Services, except for:

839.33 (1) the rate increases specified in article 11, sections 12 and 19;

840.1 (2) costs associated with moving to a community setting specified in article 17, section
 840.2 5, subdivision 1; and

840.3 (3) direct assistance to individuals to access or maintain housing in community settings
 840.4 specified in article 17, section 5, subdivision 2.

840.5 This section expires June 30, 2024.

840.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

840.7 Sec. 22. Laws 2021, First Special Session chapter 7, article 17, section 5, the effective
 840.8 date, is amended to read:

840.9 **EFFECTIVE DATE.** ~~Subdivision~~ Subdivisions 1 is and 2 are effective January 1, 2021,
 840.10 ~~or upon federal approval, whichever is later. The commissioner of human services shall~~
 840.11 ~~notify the revisor of statutes when federal approval is obtained.~~

840.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

840.13 Sec. 23. **TRANSFERS.**

840.14 Subdivision 1. **Grants.** The commissioner of human services, with the approval of the
 840.15 commissioner of management and budget, may transfer unencumbered appropriation balances
 840.16 for the biennium ending June 30, 2025, within fiscal years among MFIP; general assistance;
 840.17 medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes,
 840.18 section 119B.05; Minnesota supplemental aid program; housing support program; the
 840.19 entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N;
 840.20 and the entitlement portion of the behavioral health fund between fiscal years of the biennium.
 840.21 The commissioner shall report to the chairs and ranking minority members of the legislative
 840.22 committees with jurisdiction over health and human services quarterly about transfers made
 840.23 under this subdivision.

840.24 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
 840.25 may be transferred within the Department of Human Services as the commissioners consider
 840.26 necessary, with the advance approval of the commissioner of management and budget. The
 840.27 commissioners shall report to the chairs and ranking minority members of the legislative
 840.28 committees with jurisdiction over health and human services finance quarterly about transfers
 840.29 made under this section.

841.1 Sec. 24. **TRANSFERS; ADMINISTRATION.**

841.2 Positions, salary money, and nonsalary administrative money may be transferred within
841.3 the Department of Health as the commissioner considers necessary with the advance approval
841.4 of the commissioner of management and budget. The commissioner shall report to the chairs
841.5 and ranking minority members of the legislative committees with jurisdiction over health
841.6 finance quarterly about transfers made under this section.

841.7 Sec. 25. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

841.8 The commissioner of health shall not use indirect cost allocations to pay for the
841.9 operational costs of any program for which they are responsible.

841.10 Sec. 26. **EXPIRATION OF UNCODIFIED LANGUAGE.**

841.11 All uncodified language contained in this article expires on June 30, 2025, unless a
841.12 different expiration date is explicit.

841.13 Sec. 27. **APPROPRIATION CANCELLATION; OFFICE OF THE FOSTER YOUTH**
841.14 **OMBUDSPERSON.**

841.15 \$100,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter
841.16 63, section 6, is canceled to the general fund on June 30, 2023.

62J.692 MEDICAL EDUCATION.

Subd. 4a. **Alternative distribution.** If federal approval is not received for the formula described in subdivision 4, paragraphs (a) and (b), 100 percent of available medical education and research funds shall be distributed based on a distribution formula that reflects a summation of two factors:

(1) a public program volume factor, that is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool; and

(2) a supplemental public program volume factor, that is determined by providing a supplemental payment of 20 percent of each training site's grant to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment.

Subd. 7. **Transfers from commissioner of human services.** Of the amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (1) to (4), \$21,714,000 shall be distributed as follows:

(1) \$2,157,000 shall be distributed by the commissioner to the University of Minnesota Board of Regents for the purposes described in sections 137.38 to 137.40;

(2) \$1,035,360 shall be distributed by the commissioner to the Hennepin County Medical Center for clinical medical education;

(3) \$17,400,000 shall be distributed by the commissioner to the University of Minnesota Board of Regents for purposes of medical education;

(4) \$1,121,640 shall be distributed by the commissioner to clinical medical education dental innovation grants in accordance with subdivision 7a; and

(5) the remainder of the amount transferred according to section 256B.69, subdivision 5c, clauses (1) to (4), shall be distributed by the commissioner annually to clinical medical education programs that meet the qualifications of subdivision 3 based on the formula in subdivision 4, paragraph (a).

Subd. 7a. **Clinical medical education innovations grants.** (a) The commissioner shall award grants to teaching institutions and clinical training sites for projects that increase dental access for underserved populations and promote innovative clinical training of dental professionals. In awarding the grants, the commissioner, in consultation with the commissioner of human services, shall consider the following:

(1) potential to successfully increase access to an underserved population;

(2) the long-term viability of the project to improve access beyond the period of initial funding;

(3) evidence of collaboration between the applicant and local communities;

(4) the efficiency in the use of the funding; and

(5) the priority level of the project in relation to state clinical education, access, and workforce goals.

(b) The commissioner shall periodically evaluate the priorities in awarding the innovations grants in order to ensure that the priorities meet the changing workforce needs of the state.

62J.84 PRESCRIPTION DRUG PRICE TRANSPARENCY.

Subd. 5. **Newly acquired prescription drug price reporting.** (a) Beginning January 1, 2022, the acquiring drug manufacturer must submit to the commissioner the information described in paragraph (b) for each newly acquired prescription drug for which the price was \$100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for a newly acquired brand name drug where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in price over the previous 24-month period; and

(2) for a newly acquired generic drug where there is an increase of 50 percent or greater in the price over the previous 12-month period.

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(b) For each of the drugs described in paragraph (a), the acquiring manufacturer shall submit to the commissioner no later than 60 days after the acquiring manufacturer begins to sell the newly acquired drug, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the price of the prescription drug at the time of acquisition and in the calendar year prior to acquisition;

(2) the name of the company from which the prescription drug was acquired, the date acquired, and the purchase price;

(3) the year the prescription drug was introduced to market and the price of the prescription drug at the time of introduction;

(4) the price of the prescription drug for the previous five years;

(5) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the manufacturer's drug; and

(6) the patent expiration date of the drug if it is under patent.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

62Q.145 ABORTION AND SCOPE OF PRACTICE.

Health plan company policies related to scope of practice for allied independent health providers, midlevel practitioners as defined in section 144.1501, subdivision 1, and other nonphysician health care professionals must comply with the requirements governing the performance of abortions in section 145.412, subdivision 1.

62U.10 HEALTH CARE TRANSFER, SAVINGS, AND REPAYMENT.

Subd. 6. **Projected spending baseline.** Beginning February 15, 2016, and each February 15 thereafter, the commissioner of health shall report the projected impact on spending from specified health indicators related to various preventable illnesses and death. The impacts shall be reported over a ten-year time frame using a baseline forecast of private and public health care and long-term care spending for residents of this state, beginning with calendar year 2009 projected estimates of costs, and updated annually for each of the following health indicators:

(1) costs related to rates of obesity, including obesity-related cancers, coronary heart disease, stroke, and arthritis;

(2) costs related to the utilization of tobacco products;

(3) costs related to hypertension;

(4) costs related to diabetes or prediabetes; and

(5) costs related to dementia and chronic disease among an elderly population over 60, including additional long-term care costs.

Subd. 7. **Outcomes reporting; savings determination.** (a) Beginning November 1, 2016, and each November 1 thereafter, the commissioner of health shall determine the actual total private and public health care and long-term care spending for Minnesota residents related to each health indicator projected in subdivision 6 for the most recent calendar year available. The commissioner shall determine the difference between the projected and actual spending for each health indicator and for each year, and determine the savings attributable to changes in these health indicators. The assumptions and research methods used to calculate actual spending must be determined to be appropriate by an independent actuarial consultant. If the actual spending is less than the projected spending, the commissioner, in consultation with the commissioners of human services and management and budget, shall use the proportion of spending for state-administered health care programs to total private and public health care spending for each health indicator for the calendar year two years before the current calendar year to determine the percentage of the calculated aggregate savings amount accruing to state-administered health care programs.

(b) The commissioner may use the data submitted under section 62U.04, subdivisions 4 and 5, to complete the activities required under this section, but may only report publicly on regional data aggregated to granularity of 25,000 lives or greater for this purpose.

Subd. 8. **Transfers.** When accumulated annual savings accruing to state-administered health care programs, as calculated under subdivision 7, meet or exceed \$50,000,000 for all health indicators in aggregate statewide, the commissioner of health shall certify that event to the commissioner of management and budget, no later than December 15 of each year. In the next fiscal year following the certification, the commissioner of management and budget shall transfer \$50,000,000 from the general fund to the health care access fund. This transfer shall repeat in each fiscal year following subsequent certifications of additional cumulative savings, up to \$50,000,000 per year. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of management and budget.

119B.011 DEFINITIONS.

Subd. 10a. **Diversionsary work program.** "Diversionsary work program" means the program established under section 256J.95.

119B.03 BASIC SLIDING FEE PROGRAM.

Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for diversionsary work program supports.

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(d) Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

(e) Families under paragraph (b) must be added to the basic sliding fee waiting list on the date they begin the transition year under section 119B.011, subdivision 20, and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.

137.38 EDUCATION AND TRAINING OF PRIMARY CARE PHYSICIANS.

Subdivision 1. **Condition.** If the Board of Regents accepts the amount transferred under section 62J.692, subdivision 7, clause (1), to be used for the purposes described in sections 137.38 to 137.40, it shall comply with the duties for which the transfer is made.

144.059 PALLIATIVE CARE ADVISORY COUNCIL.

Subd. 10. **Sunset.** The council shall sunset January 1, 2025.

144.212 DEFINITIONS.

Subd. 11. **Consent to disclosure.** "Consent to disclosure" means an affidavit filed with the state registrar which sets forth the following information:

- (1) the current name and address of the affiant;
- (2) any previous name by which the affiant was known;
- (3) the original and adopted names, if known, of the adopted child whose original birth record is to be disclosed;
- (4) the place and date of birth of the adopted child;
- (5) the biological relationship of the affiant to the adopted child; and
- (6) the affiant's consent to disclosure of information from the original birth record of the adopted child.

144.9505 CREDENTIALING OF LEAD FIRMS AND PROFESSIONALS.

Subd. 3. **Licensed building contractor; information.** The commissioner shall provide health and safety information on lead abatement and lead hazard reduction to all residential building contractors licensed under section 326B.805. The information must include the lead-safe practices and any other materials describing ways to protect the health and safety of both employees and residents.

145.411 REGULATION OF ABORTIONS; DEFINITIONS.

Subd. 2. **Viable.** "Viable" means able to live outside the womb even though artificial aid may be required. During the second half of its gestation period a fetus shall be considered potentially "viable."

Subd. 4. **Abortion facility.** "Abortion facility" means those places properly recognized and licensed by the state commissioner of health under lawful rules promulgated by the commissioner for the performance of abortions.

145.412 CRIMINAL ACTS.

Subdivision 1. **Requirements.** It shall be unlawful to willfully perform an abortion unless the abortion is performed:

- (1) by a physician licensed to practice medicine pursuant to chapter 147, or a physician in training under the supervision of a licensed physician;
- (2) in a hospital or abortion facility if the abortion is performed after the first trimester;
- (3) in a manner consistent with the lawful rules promulgated by the state commissioner of health; and
- (4) with the consent of the woman submitting to the abortion after a full explanation of the procedure and effect of the abortion.

Subd. 2. **Unconsciousness; lifesaving.** It shall be unlawful to perform an abortion upon a woman who is unconscious except if the woman has been rendered unconscious for the purpose of having an abortion or if the abortion is necessary to save the life of the woman.

Subd. 3. **Viability.** It shall be unlawful to perform an abortion when the fetus is potentially viable unless:

- (1) the abortion is performed in a hospital;
- (2) the attending physician certifies in writing that in the physician's best medical judgment the abortion is necessary to preserve the life or health of the pregnant woman; and
- (3) to the extent consistent with sound medical practice the abortion is performed under circumstances which will reasonably assure the live birth and survival of the fetus.

Subd. 4. **Penalty.** A person who performs an abortion in violation of this section is guilty of a felony.

145.413 RECORDING AND REPORTING HEALTH DATA.

Subd. 2. **Death of woman.** If any woman who has had an abortion dies from any cause within 30 days of the abortion or from any cause potentially related to the abortion within 90 days of the abortion, that fact shall be reported to the state commissioner of health.

Subd. 3. **Penalty.** A physician who performs an abortion and who fails to comply with subdivision 1 and transmit the required information to the state commissioner of health within 30 days after the abortion is guilty of a misdemeanor.

145.4132 RECORDING AND REPORTING ABORTION COMPLICATION DATA.

Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare an abortion complication reporting form for all physicians licensed and practicing in the state. A copy of this section shall be attached to the form.

(b) The Board of Medical Practice shall ensure that the abortion complication reporting form is distributed:

- (1) to all physicians licensed to practice in the state, within 120 days after July 1, 1998, and by December 1 of each subsequent year; and

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(2) to a physician who is newly licensed to practice in the state, at the same time as official notification to the physician that the physician is so licensed.

Subd. 2. **Required reporting.** A physician licensed and practicing in the state who knowingly encounters an illness or injury that, in the physician's medical judgment, is related to an induced abortion or the facility where the illness or injury is encountered shall complete and submit an abortion complication reporting form to the commissioner.

Subd. 3. **Submission.** A physician or facility required to submit an abortion complication reporting form to the commissioner shall do so as soon as practicable after the encounter with the abortion-related illness or injury.

Subd. 4. **Additional reporting.** Nothing in this section shall be construed to preclude the voluntary or required submission of other reports or forms regarding abortion complications.

145.4133 REPORTING OUT-OF-STATE ABORTIONS.

The commissioner of human services shall report to the commissioner by April 1 each year the following information regarding abortions paid for with state funds and performed out of state in the previous calendar year:

(1) the total number of abortions performed out of state and partially or fully paid for with state funds through the medical assistance or MinnesotaCare program, or any other program;

(2) the total amount of state funds used to pay for the abortions and expenses incidental to the abortions; and

(3) the gestational age at the time of abortion.

145.4135 ENFORCEMENT; PENALTIES.

(a) If the commissioner finds that a physician or facility has failed to submit the required form under section 145.4131 within 60 days following the due date, the commissioner shall notify the physician or facility that the form is late. A physician or facility who fails to submit the required form under section 145.4131 within 30 days following notification from the commissioner that a report is late is subject to a late fee of \$500 for each 30-day period, or portion thereof, that the form is overdue. If a physician or facility required to report under this section does not submit a report, or submits only an incomplete report, more than one year following the due date, the commissioner may take action to fine the physician or facility or may bring an action to require that the physician or facility be directed by a court of competent jurisdiction to submit a complete report within a period stated by court order or be subject to sanctions for civil contempt. Notwithstanding section 13.39 to the contrary, action taken by the commissioner to enforce the provision of this section shall be treated as private if the data related to this action, alone or in combination, may constitute information from which an individual having performed or having had an abortion may be identified using epidemiologic principles.

(b) If the commissioner fails to issue the public report required under section 145.4134 or fails in any way to enforce this section, a group of 100 or more citizens of the state may seek an injunction in a court of competent jurisdiction against the commissioner requiring that a complete report be issued within a period stated by court order or requiring that enforcement action be taken.

(c) A physician or facility reporting in good faith and exercising due care shall have immunity from civil, criminal, or administrative liability that might otherwise result from reporting. A physician who knowingly or recklessly submits a false report under this section is guilty of a misdemeanor.

(d) The commissioner may take reasonable steps to ensure compliance with sections 145.4131 to 145.4133 and to verify data provided, including but not limited to, inspection of places where abortions are performed in accordance with chapter 14.

(e) The commissioner shall develop recommendations on appropriate penalties and methods of enforcement for physicians or facilities who fail to submit the report required under section 145.4132, submit an incomplete report, or submit a late report. The commissioner shall also assess the effectiveness of the enforcement methods and penalties provided in paragraph (a) and shall recommend appropriate changes, if any. These recommendations shall be reported to the chairs of the senate Health and Family Security Committee and the house of representatives Health and Human Services Committee by November 15, 1998.

145.4136 SEVERABILITY.

If any one or more provision, section, subdivision, sentence, clause, phrase, or word in sections 145.4131 to 145.4135, or the application thereof to any person or circumstance is found to be unconstitutional, the same is hereby declared to be severable and the balance of sections 145.4131 to 145.4135 shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed sections 145.4131 to 145.4135, and each provision, section, subdivision, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provision, section, subdivision, sentence, clause, phrase, or word be declared unconstitutional.

145.415 LIVE FETUS AFTER ABORTION, TREATMENT.

Subdivision 1. **Recognition.** A potentially viable fetus which is live born following an attempted abortion shall be fully recognized as a human person under the law.

Subd. 2. **Medical care.** If an abortion of a potentially viable fetus results in a live birth, the responsible medical personnel shall take all reasonable measures, in keeping with good medical practice, to preserve the life and health of the live born person.

Subd. 3. **Status.** (1) Unless the abortion is performed to save the life of the woman or child, or, (2) unless one or both of the parents of the unborn child agrees within 30 days of the birth to accept the parental rights and responsibilities for the child if it survives the abortion, whenever an abortion of a potentially viable fetus results in a live birth, the child shall be an abandoned ward of the state and the parents shall have no parental rights or obligations as if the parental rights had been terminated pursuant to section 260C.301. The child shall be provided for pursuant to chapter 256J.

145.416 LICENSING AND REGULATION OF FACILITIES.

The state commissioner of health shall license and promulgate rules for facilities as defined in section 145.411, subdivision 4, which are organized for purposes of delivering abortion services.

145.423 ABORTION; LIVE BIRTHS.

Subd. 2. **Physician required.** When an abortion is performed after the 20th week of pregnancy, a physician, other than the physician performing the abortion, shall be immediately accessible to take all reasonable measures consistent with good medical practice, including the compilation of appropriate medical records, to preserve the life and health of any born alive infant that is the result of the abortion.

Subd. 3. **Death.** If a born alive infant described in subdivision 1 dies after birth, the body shall be disposed of in accordance with the provisions of section 145.1621.

Subd. 4. **Definition of born alive infant.** (a) In determining the meaning of any Minnesota statute, or of any ruling, regulation, or interpretation of the various administrative bureaus and agencies of Minnesota, the words "person," "human being," "child," and "individual" shall include every infant member of the species *Homo sapiens* who is born alive at any stage of development.

(b) As used in this section, the term "born alive," with respect to a member of the species *Homo sapiens*, means the complete expulsion or extraction from his or her mother of that member, at any stage of development, who, after such expulsion or extraction, breathes or has a beating heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, regardless of whether the umbilical cord has been cut, and regardless of whether the expulsion or extraction occurs as a result of a natural or induced labor, cesarean section, or induced abortion.

(c) Nothing in this section shall be construed to affirm, deny, expand, or contract any legal status or legal right applicable to any member of the species *Homo sapiens* at any point prior to being born alive, as defined in this section.

Subd. 5. **Civil and disciplinary actions.** (a) Any person upon whom an abortion has been performed, or the parent or guardian of the mother if the mother is a minor, and the abortion results in the infant having been born alive, may maintain an action for death of or injury to the born alive infant against the person who performed the abortion if the death or injury was a result of simple negligence, gross negligence, wantonness, willfulness, intentional conduct, or another violation of the legal standard of care.

(b) Any responsible medical personnel that does not take all reasonable measures consistent with good medical practice to preserve the life and health of the born alive infant, as required by subdivision 1, may be subject to the suspension or revocation of that person's professional license by the professional board with authority over that person. Any person who has performed an abortion

and against whom judgment has been rendered pursuant to paragraph (a) shall be subject to an automatic suspension of the person's professional license for at least one year and said license shall be reinstated only after the person's professional board requires compliance with this section by all board licensees.

(c) Nothing in this subdivision shall be construed to hold the mother of the born alive infant criminally or civilly liable for the actions of a physician, nurse, or other licensed health care provider in violation of this section to which the mother did not give her consent.

Subd. 6. Protection of privacy in court proceedings. In every civil action brought under this section, the court shall rule whether the anonymity of any female upon whom an abortion has been performed or attempted shall be preserved from public disclosure if she does not give her consent to such disclosure. The court, upon motion or sua sponte, shall make such a ruling and, upon determining that her anonymity should be preserved, shall issue orders to the parties, witnesses, and counsel and shall direct the sealing of the record and exclusion of individuals from courtrooms or hearing rooms to the extent necessary to safeguard her identity from public disclosure. Each order must be accompanied by specific written findings explaining why the anonymity of the female should be preserved from public disclosure, why the order is essential to that end, how the order is narrowly tailored to serve that interest, and why no reasonable, less restrictive alternative exists. This section may not be construed to conceal the identity of the plaintiff or of witnesses from the defendant.

Subd. 7. Status of born alive infant. Unless the abortion is performed to save the life of the woman or fetus, or, unless one or both of the parents of the born alive infant agree within 30 days of the birth to accept the parental rights and responsibilities for the child, the child shall be an abandoned ward of the state and the parents shall have no parental rights or obligations as if the parental rights had been terminated pursuant to section 260C.301. The child shall be provided for pursuant to chapter 256J.

Subd. 8. Severability. If any one or more provision, section, subdivision, sentence, clause, phrase, or word of this section or the application of it to any person or circumstance is found to be unconstitutional, it is declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature intends that it would have passed this section, and each provision, section, subdivision, sentence, clause, phrase, or word, regardless of the fact that any one provision, section, subdivision, sentence, clause, phrase, or word is declared unconstitutional.

Subd. 9. Short title. This section may be cited as the "Born Alive Infants Protection Act."

145.4235 POSITIVE ABORTION ALTERNATIVES.

Subdivision 1. Definitions. For purposes of this section, the following terms have the meanings given:

(1) "abortion" means the use of any means to terminate the pregnancy of a woman known to be pregnant with knowledge that the termination with those means will, with reasonable likelihood, cause the death of the unborn child. For purposes of this section, abortion does not include an abortion necessary to prevent the death of the mother;

(2) "nondirective counseling" means providing clients with:

(i) a list of health care providers and social service providers that provide prenatal care, childbirth care, infant care, foster care, adoption services, alternatives to abortion, or abortion services; and

(ii) nondirective, nonmarketing information regarding such providers; and

(3) "unborn child" means a member of the species *Homo sapiens* from fertilization until birth.

Subd. 2. Eligibility for grants. (a) The commissioner shall award grants to eligible applicants under paragraph (c) for the reasonable expenses of alternatives to abortion programs to support, encourage, and assist women in carrying their pregnancies to term and caring for their babies after birth by providing information on, referral to, and assistance with securing necessary services that enable women to carry their pregnancies to term and care for their babies after birth. Necessary services must include, but are not limited to:

(1) medical care;

(2) nutritional services;

(3) housing assistance;

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(4) adoption services;

(5) education and employment assistance, including services that support the continuation and completion of high school;

(6) child care assistance; and

(7) parenting education and support services.

An applicant may not provide or assist a woman to obtain adoption services from a provider of adoption services that is not licensed.

(b) In addition to providing information and referral under paragraph (a), an eligible program may provide one or more of the necessary services under paragraph (a) that assists women in carrying their pregnancies to term. To avoid duplication of efforts, grantees may refer to other public or private programs, rather than provide the care directly, if a woman meets eligibility criteria for the other programs.

(c) To be eligible for a grant, an agency or organization must:

(1) be a private, nonprofit organization;

(2) demonstrate that the program is conducted under appropriate supervision;

(3) not charge women for services provided under the program;

(4) provide each pregnant woman counseled with accurate information on the developmental characteristics of babies and of unborn children, including offering the printed information described in section 145.4243;

(5) ensure that its alternatives-to-abortion program's purpose is to assist and encourage women in carrying their pregnancies to term and to maximize their potentials thereafter;

(6) ensure that none of the money provided is used to encourage or affirmatively counsel a woman to have an abortion not necessary to prevent her death, to provide her an abortion, or to directly refer her to an abortion provider for an abortion. The agency or organization may provide nondirective counseling; and

(7) have had the alternatives to abortion program in existence for at least one year as of July 1, 2011; or incorporated an alternative to abortion program that has been in existence for at least one year as of July 1, 2011.

(d) The provisions, words, phrases, and clauses of paragraph (c) are inseverable from this subdivision, and if any provision, word, phrase, or clause of paragraph (c) or its application to any person or circumstance is held invalid, the invalidity applies to all of this subdivision.

(e) An organization that provides abortions, promotes abortions, or directly refers to an abortion provider for an abortion is ineligible to receive a grant under this program. An affiliate of an organization that provides abortions, promotes abortions, or directly refers to an abortion provider for an abortion is ineligible to receive a grant under this section unless the organizations are separately incorporated and independent from each other. To be independent, the organizations may not share any of the following:

(1) the same or a similar name;

(2) medical facilities or nonmedical facilities, including but not limited to, business offices, treatment rooms, consultation rooms, examination rooms, and waiting rooms;

(3) expenses;

(4) employee wages or salaries; or

(5) equipment or supplies, including but not limited to, computers, telephone systems, telecommunications equipment, and office supplies.

(f) An organization that receives a grant under this section and that is affiliated with an organization that provides abortion services must maintain financial records that demonstrate strict compliance with this subdivision and that demonstrate that its independent affiliate that provides abortion services receives no direct or indirect economic or marketing benefit from the grant under this section.

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(g) The commissioner shall approve any information provided by a grantee on the health risks associated with abortions to ensure that the information is medically accurate.

Subd. 3. **Privacy protection.** (a) Any program receiving a grant under this section must have a privacy policy and procedures in place to ensure that the name, address, telephone number, or any other information that might identify any woman seeking the services of the program is not made public or shared with any other agency or organization without the written consent of the woman. All communications between the program and the woman must remain confidential. For purposes of any medical care provided by the program, including, but not limited to, pregnancy tests or ultrasonic scanning, the program must adhere to the requirements in sections 144.291 to 144.298 that apply to providers before releasing any information relating to the medical care provided.

(b) Notwithstanding paragraph (a), the commissioner has access to any information necessary to monitor and review a grantee's program as required under subdivision 4.

Subd. 4. **Duties of commissioner.** The commissioner shall make grants under subdivision 2 beginning no later than July 1, 2006. In awarding grants, the commissioner shall consider the program's demonstrated capacity in providing services to assist a pregnant woman in carrying her pregnancy to term. The commissioner shall monitor and review the programs of each grantee to ensure that the grantee carefully adheres to the purposes and requirements of subdivision 2 and shall cease funding a grantee that fails to do so.

Subd. 5. **Severability.** Except as provided in subdivision 2, paragraph (d), if any provision, word, phrase, or clause of this section or its application to any person or circumstance is held invalid, such invalidity shall not affect the provisions, words, phrases, clauses, or applications of this section that can be given effect without the invalid provision, word, phrase, clause, or application and to this end, the provisions, words, phrases, and clauses of this section are severable.

Subd. 6. **Minnesota Supreme Court jurisdiction.** The Minnesota Supreme Court has original jurisdiction over an action challenging the constitutionality of this section and shall expedite the resolution of the action.

145.4241 DEFINITIONS.

Subdivision 1. **Applicability.** As used in sections 145.4241 to 145.4249, the following terms have the meanings given them.

Subd. 2. **Abortion.** "Abortion" means the use or prescription of any instrument, medicine, drug, or any other substance or device to intentionally terminate the pregnancy of a female known to be pregnant, with an intention other than to increase the probability of a live birth, to preserve the life or health of the child after live birth, or to remove a dead fetus.

Subd. 3. **Attempt to perform an abortion.** "Attempt to perform an abortion" means an act, or an omission of a statutorily required act, that, under the circumstances as the actor believes them to be, constitutes a substantial step in a course of conduct planned to culminate in the performance of an abortion in Minnesota in violation of sections 145.4241 to 145.4249.

Subd. 3a. **Fetal anomaly incompatible with life.** "Fetal anomaly incompatible with life" means a fetal anomaly diagnosed before birth that will with reasonable certainty result in death of the unborn child within three months. Fetal anomaly incompatible with life does not include conditions which can be treated.

Subd. 4. **Medical emergency.** "Medical emergency" means any condition that, on the basis of the physician's good faith clinical judgment, so complicates the medical condition of a pregnant female as to necessitate the immediate abortion of her pregnancy to avert her death or for which a delay will create serious risk of substantial and irreversible impairment of a major bodily function.

Subd. 4a. **Perinatal hospice.** (a) "Perinatal hospice" means comprehensive support to the female and her family that includes support from the time of diagnosis through the time of birth and death of the infant and through the postpartum period. Supportive care may include maternal-fetal medical specialists, obstetricians, neonatologists, anesthesia specialists, clergy, social workers, and specialty nurses.

(b) The availability of perinatal hospice provides an alternative to families for whom elective pregnancy termination is not chosen.

Subd. 5. **Physician.** "Physician" means a person licensed as a physician or osteopathic physician under chapter 147.

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Subd. 6. **Probable gestational age of the unborn child.** "Probable gestational age of the unborn child" means what will, in the judgment of the physician, with reasonable probability, be the gestational age of the unborn child at the time the abortion is planned to be performed.

Subd. 7. **Stable Internet website.** "Stable Internet website" means a website that, to the extent reasonably practicable, is safeguarded from having its content altered other than by the commissioner of health.

Subd. 8. **Unborn child.** "Unborn child" means a member of the species *Homo sapiens* from fertilization until birth.

145.4242 INFORMED CONSENT.

(a) No abortion shall be performed in this state except with the voluntary and informed consent of the female upon whom the abortion is to be performed. Except in the case of a medical emergency or if the fetus has an anomaly incompatible with life, and the female has declined perinatal hospice care, consent to an abortion is voluntary and informed only if:

(1) the female is told the following, by telephone or in person, by the physician who is to perform the abortion or by a referring physician, at least 24 hours before the abortion:

(i) the particular medical risks associated with the particular abortion procedure to be employed including, when medically accurate, the risks of infection, hemorrhage, breast cancer, danger to subsequent pregnancies, and infertility;

(ii) the probable gestational age of the unborn child at the time the abortion is to be performed;

(iii) the medical risks associated with carrying her child to term; and

(iv) for abortions after 20 weeks gestational, whether or not an anesthetic or analgesic would eliminate or alleviate organic pain to the unborn child caused by the particular method of abortion to be employed and the particular medical benefits and risks associated with the particular anesthetic or analgesic.

The information required by this clause may be provided by telephone without conducting a physical examination or tests of the patient, in which case the information required to be provided may be based on facts supplied to the physician by the female and whatever other relevant information is reasonably available to the physician. It may not be provided by a tape recording, but must be provided during a consultation in which the physician is able to ask questions of the female and the female is able to ask questions of the physician. If a physical examination, tests, or the availability of other information to the physician subsequently indicate, in the medical judgment of the physician, a revision of the information previously supplied to the patient, that revised information may be communicated to the patient at any time prior to the performance of the abortion. Nothing in this section may be construed to preclude provision of required information in a language understood by the patient through a translator;

(2) the female is informed, by telephone or in person, by the physician who is to perform the abortion, by a referring physician, or by an agent of either physician at least 24 hours before the abortion:

(i) that medical assistance benefits may be available for prenatal care, childbirth, and neonatal care;

(ii) that the father is liable to assist in the support of her child, even in instances when the father has offered to pay for the abortion; and

(iii) that she has the right to review the printed materials described in section 145.4243, that these materials are available on a state-sponsored website, and what the website address is. The physician or the physician's agent shall orally inform the female that the materials have been provided by the state of Minnesota and that they describe the unborn child, list agencies that offer alternatives to abortion, and contain information on fetal pain. If the female chooses to view the materials other than on the website, they shall either be given to her at least 24 hours before the abortion or mailed to her at least 72 hours before the abortion by certified mail, restricted delivery to addressee, which means the postal employee can only deliver the mail to the addressee.

The information required by this clause may be provided by a tape recording if provision is made to record or otherwise register specifically whether the female does or does not choose to have the printed materials given or mailed to her;

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(3) the female certifies in writing, prior to the abortion, that the information described in clauses (1) and (2) has been furnished to her and that she has been informed of her opportunity to review the information referred to in clause (2), item (iii); and

(4) prior to the performance of the abortion, the physician who is to perform the abortion or the physician's agent obtains a copy of the written certification prescribed by clause (3) and retains it on file with the female's medical record for at least three years following the date of receipt.

(b) Prior to administering the anesthetic or analgesic as described in paragraph (a), clause (1), item (iv), the physician must disclose to the woman any additional cost of the procedure for the administration of the anesthetic or analgesic. If the woman consents to the administration of the anesthetic or analgesic, the physician shall administer the anesthetic or analgesic or arrange to have the anesthetic or analgesic administered.

(c) A female seeking an abortion of her unborn child diagnosed with fetal anomaly incompatible with life must be informed of available perinatal hospice services and offered this care as an alternative to abortion. If perinatal hospice services are declined, voluntary and informed consent by the female seeking an abortion is given if the female receives the information required in paragraphs (a), clause (1), and (b). The female must comply with the requirements in paragraph (a), clauses (3) and (4).

145.4243 PRINTED INFORMATION.

(a) Within 90 days after July 1, 2003, the commissioner of health shall cause to be published, in English and in each language that is the primary language of two percent or more of the state's population, and shall cause to be available on the state website provided for under section 145.4244 the following printed materials in such a way as to ensure that the information is easily comprehensible:

(1) geographically indexed materials designed to inform the female of public and private agencies and services available to assist a female through pregnancy, upon childbirth, and while the child is dependent, including adoption agencies, which shall include a comprehensive list of the agencies available, a description of the services they offer, and a description of the manner, including telephone numbers, in which they might be contacted or, at the option of the commissioner of health, printed materials including a toll-free, 24-hours-a-day telephone number that may be called to obtain, orally or by a tape recorded message tailored to a zip code entered by the caller, such a list and description of agencies in the locality of the caller and of the services they offer;

(2) materials designed to inform the female of the probable anatomical and physiological characteristics of the unborn child at two-week gestational increments from the time when a female can be known to be pregnant to full term, including any relevant information on the possibility of the unborn child's survival and pictures or drawings representing the development of unborn children at two-week gestational increments, provided that any such pictures or drawings must contain the dimensions of the fetus and must be realistic and appropriate for the stage of pregnancy depicted. The materials shall be objective, nonjudgmental, and designed to convey only accurate scientific information about the unborn child at the various gestational ages. The material shall also contain objective information describing the methods of abortion procedures commonly employed, the medical risks commonly associated with each procedure, the possible detrimental psychological effects of abortion, and the medical risks commonly associated with carrying a child to term; and

(3) materials with the following information concerning an unborn child of 20 weeks gestational age and at two weeks gestational increments thereafter in such a way as to ensure that the information is easily comprehensible:

(i) the development of the nervous system of the unborn child;

(ii) fetal responsiveness to adverse stimuli and other indications of capacity to experience organic pain; and

(iii) the impact on fetal organic pain of each of the methods of abortion procedures commonly employed at this stage of pregnancy.

The material under this clause shall be objective, nonjudgmental, and designed to convey only accurate scientific information.

(b) The materials referred to in this section must be printed in a typeface large enough to be clearly legible. The website provided for under section 145.4244 shall be maintained at a minimum resolution of 70 DPI (dots per inch). All pictures appearing on the website shall be a minimum of 200x300 pixels. All letters on the website shall be a minimum of 11-point font. All information

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and pictures shall be accessible with an industry standard browser, requiring no additional plug-ins. The materials required under this section must be available at no cost from the commissioner of health upon request and in appropriate number to any person, facility, or hospital.

145.4244 INTERNET WEBSITE.

The commissioner of health shall develop and maintain a stable Internet website to provide the information described under section 145.4243. No information regarding who uses the website shall be collected or maintained. The commissioner of health shall monitor the website on a weekly basis to prevent and correct tampering.

145.4245 PROCEDURE IN CASE OF MEDICAL EMERGENCY.

When a medical emergency compels the performance of an abortion, the physician shall inform the female, prior to the abortion if possible, of the medical indications supporting the physician's judgment that an abortion is necessary to avert her death or that a 24-hour delay will create serious risk of substantial and irreversible impairment of a major bodily function.

145.4246 REPORTING REQUIREMENTS.

Subdivision 1. **Reporting form.** Within 90 days after July 1, 2003, the commissioner of health shall prepare a reporting form for physicians containing a reprint of sections 145.4241 to 145.4249 and listing:

(1) the number of females to whom the physician provided the information described in section 145.4242, clause (1); of that number, the number provided by telephone and the number provided in person; and of each of those numbers, the number provided in the capacity of a referring physician and the number provided in the capacity of a physician who is to perform the abortion;

(2) the number of females to whom the physician or an agent of the physician provided the information described in section 145.4242, clause (2); of that number, the number provided by telephone and the number provided in person; of each of those numbers, the number provided in the capacity of a referring physician and the number provided in the capacity of a physician who is to perform the abortion; and of each of those numbers, the number provided by the physician and the number provided by an agent of the physician;

(3) the number of females who availed themselves of the opportunity to obtain a copy of the printed information described in section 145.4243 other than on the website and the number who did not; and of each of those numbers, the number who, to the best of the reporting physician's information and belief, went on to obtain the abortion; and

(4) the number of abortions performed by the physician in which information otherwise required to be provided at least 24 hours before the abortion was not so provided because an immediate abortion was necessary to avert the female's death and the number of abortions in which such information was not so provided because a delay would create serious risk of substantial and irreversible impairment of a major bodily function.

Subd. 2. **Distribution of forms.** The commissioner of health shall ensure that copies of the reporting forms described in subdivision 1 are provided:

(1) by December 1, 2003, and by December 1 of each subsequent year thereafter to all physicians licensed to practice in this state; and

(2) to each physician who subsequently becomes newly licensed to practice in this state, at the same time as official notification to that physician that the physician is so licensed.

Subd. 3. **Reporting requirement.** By April 1, 2005, and by April 1 of each subsequent year thereafter, each physician who provided, or whose agent provided, information to one or more females in accordance with section 145.4242 during the previous calendar year shall submit to the commissioner of health a copy of the form described in subdivision 1 with the requested data entered accurately and completely.

Subd. 4. **Additional reporting.** Nothing in this section shall be construed to preclude the voluntary or required submission of other reports or forms regarding abortions.

Subd. 5. **Failure to report as required.** Reports that are not submitted by the end of a grace period of 30 days following the due date shall be subject to a late fee of \$500 for each additional 30-day period or portion of a 30-day period they are overdue. Any physician required to report according to this section who has not submitted a report, or has submitted only an incomplete report, more than one year following the due date, may, in an action brought by the commissioner of health,

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be directed by a court of competent jurisdiction to submit a complete report within a period stated by court order or be subject to sanctions for civil contempt.

Subd. 6. **Public statistics.** By July 1, 2005, and by July 1 of each subsequent year thereafter, the commissioner of health shall issue a public report providing statistics for the previous calendar year compiled from all of the reports covering that year submitted according to this section for each of the items listed in subdivision 1. Each report shall also provide the statistics for all previous calendar years, adjusted to reflect any additional information from late or corrected reports. The commissioner of health shall take care to ensure that none of the information included in the public reports could reasonably lead to the identification of any individual providing or provided information according to section 145.4242.

Subd. 7. **Consolidation.** The commissioner of health may consolidate the forms or reports described in this section with other forms or reports to achieve administrative convenience or fiscal savings or to reduce the burden of reporting requirements.

145.4247 REMEDIES.

Subdivision 1. **Civil remedies.** Any person upon whom an abortion has been performed without complying with sections 145.4241 to 145.4249 may maintain an action against the person who performed the abortion in knowing or reckless violation of sections 145.4241 to 145.4249 for actual and punitive damages. Any person upon whom an abortion has been attempted without complying with sections 145.4241 to 145.4249 may maintain an action against the person who attempted to perform the abortion in knowing or reckless violation of sections 145.4241 to 145.4249 for actual and punitive damages. No civil liability may be assessed for failure to comply with section 145.4242, clause (2), item (iii), or that portion of section 145.4242, clause (2), requiring written certification that the female has been informed of her opportunity to review the information referred to in section 145.4242, clause (2), item (iii), unless the commissioner of health has made the printed materials or website address available at the time the physician or the physician's agent is required to inform the female of her right to review them.

Subd. 2. **Suit to compel statistical report.** If the commissioner of health fails to issue the public report required under section 145.4246, subdivision 6, or fails in any way to enforce Laws 2003, chapter 14, any group of ten or more citizens of this state may seek an injunction in a court of competent jurisdiction against the commissioner of health requiring that a complete report be issued within a period stated by court order. Failure to abide by such an injunction shall subject the commissioner to sanctions for civil contempt.

Subd. 3. **Attorney fees.** If judgment is rendered in favor of the plaintiff in any action described in this section, the court shall also render judgment for reasonable attorney fees in favor of the plaintiff against the defendant. If judgment is rendered in favor of the defendant and the court finds that the plaintiff's suit was frivolous and brought in bad faith, the court shall also render judgment for reasonable attorney fees in favor of the defendant against the plaintiff.

Subd. 4. **Protection of privacy in court proceedings.** In every civil action brought under sections 145.4241 to 145.4249, the court shall rule whether the anonymity of any female upon whom an abortion has been performed or attempted shall be preserved from public disclosure if she does not give her consent to such disclosure. The court, upon motion or sua sponte, shall make such a ruling and, upon determining that her anonymity should be preserved, shall issue orders to the parties, witnesses, and counsel and shall direct the sealing of the record and exclusion of individuals from courtrooms or hearing rooms to the extent necessary to safeguard her identity from public disclosure. Each order must be accompanied by specific written findings explaining why the anonymity of the female should be preserved from public disclosure, why the order is essential to that end, how the order is narrowly tailored to serve that interest, and why no reasonable, less restrictive alternative exists. In the absence of written consent of the female upon whom an abortion has been performed or attempted, anyone, other than a public official, who brings an action under subdivision 1, shall do so under a pseudonym. This section may not be construed to conceal the identity of the plaintiff or of witnesses from the defendant.

145.4248 SEVERABILITY.

If any one or more provision, section, subsection, sentence, clause, phrase, or word of sections 145.4241 to 145.4249 or the application thereof to any person or circumstance is found to be unconstitutional, the same is hereby declared to be severable and the balance of sections 145.4241 to 145.4249 shall remain effective notwithstanding such unconstitutionality. The legislature hereby declares that it would have passed sections 145.4241 to 145.4249, and each provision, section,

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subsection, sentence, clause, phrase, or word thereof, irrespective of the fact that any one or more provision, section, subsection, sentence, clause, phrase, or word be declared unconstitutional.

145.4249 SUPREME COURT JURISDICTION.

The Minnesota Supreme Court has original jurisdiction over an action challenging the constitutionality of sections 145.4241 to 145.4249 and shall expedite the resolution of the action.

153A.14 REGULATION.

Subd. 5. **Rulemaking authority.** The commissioner shall adopt rules under chapter 14 to implement this chapter. The rules may include procedures and standards relating to the certification requirement, the scope of authorized practice, fees, supervision required, continuing education, career progression, disciplinary matters, and examination procedures.

245A.22 INDEPENDENT LIVING ASSISTANCE FOR YOUTH.

Subdivision 1. **Independent living assistance for youth.** "Independent living assistance for youth" means a nonresidential program that provides a system of services that includes training, counseling, instruction, supervision, and assistance provided to youth according to the youth's independent living plan, when the placements in the program are made by the county agency. Services may include assistance in locating housing, budgeting, meal preparation, shopping, personal appearance, counseling, and related social support services needed to meet the youth's needs and improve the youth's ability to conduct such tasks independently. Such services shall not extend to youths needing 24-hour per day supervision and services. Youths needing a 24-hour per day program of supervision and services shall not be accepted or retained in an independent living assistance program.

Subd. 2. **Admission.** (a) The license holder shall accept as clients in the independent living assistance program only youth ages 16 to 21 who are in out-of-home placement, leaving out-of-home placement, at risk of becoming homeless, or homeless.

(b) Youth who have current drug or alcohol problems, a recent history of violent behaviors, or a mental health disorder or issue that is not being resolved through counseling or treatment are not eligible to receive the services described in subdivision 1.

(c) Youth who are not employed, participating in employment training, or enrolled in an academic program are not eligible to receive transitional housing or independent living assistance.

(d) The commissioner may grant a variance under section 245A.04, subdivision 9, to requirements in this section.

Subd. 3. **Independent living plan.** (a) Unless an independent living plan has been developed by the local agency, the license holder shall develop a plan based on the client's individual needs that specifies objectives for the client. The services provided shall include those specified in this section. The plan shall identify the persons responsible for implementation of each part of the plan. The plan shall be reviewed as necessary, but at least annually.

(b) The following services, or adequate access to referrals for the following services, must be made available to the targeted youth participating in the programs described in subdivision 1:

(1) counseling services for the youth and their families, if appropriate, on site, to help with problems that contributed to the homelessness or could impede making the transition to independent living;

(2) educational, vocational, or employment services;

(3) health care;

(4) transportation services including, where appropriate, assisting the child in obtaining a driver's license;

(5) money management skills training;

(6) planning for ongoing housing;

(7) social and recreational skills training; and

(8) assistance establishing and maintaining connections with the child's family and community.

Subd. 4. **Records.** (a) The license holder shall maintain a record for each client.

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(b) For each client the record maintained by the license holder shall document the following:

- (1) admission information;
- (2) the independent living plan;
- (3) delivery of the services required of the license holder in the independent living plan;
- (4) the client's progress toward obtaining the objectives identified in the independent living plan; and
- (5) a termination summary after service is terminated.

(c) If the license holder manages the client's money, the record maintained by the license holder shall also include the following:

- (1) written permission from the client or the client's legal guardian to manage the client's money;
- (2) the reasons the license holder is to manage the client's money; and
- (3) a complete record of the use of the client's money and reconciliation of the account.

Subd. 5. Service termination plan. The license holder, in conjunction with the county agency, shall establish a service termination plan that specifies how independent living assistance services will be terminated and the actions to be performed by the involved agencies, including necessary referrals for other ongoing services.

Subd. 6. Place of residence provided by program. When a client's place of residence is provided by the license holder as part of the independent living assistance program, the place of residence is not subject to separate licensure.

Subd. 7. General licensing requirements apply. In addition to the requirements of this section, providers of independent living assistance are subject to general licensing requirements of this chapter.

245C.02 DEFINITIONS.

Subd. 9. Contractor. "Contractor" means any individual, regardless of employer, who is providing program services for hire under the control of the provider.

Subd. 14b. Public law background study. "Public law background study" means a background study conducted by the commissioner pursuant to section 245C.032.

245C.031 BACKGROUND STUDY; ALTERNATIVE BACKGROUND STUDIES.

Subd. 5. Guardians and conservators. (a) The commissioner shall conduct an alternative background study of:

(1) every court-appointed guardian and conservator, unless a background study has been completed of the person under this section within the previous five years. The alternative background study shall be completed prior to the appointment of the guardian or conservator, unless a court determines that it would be in the best interests of the ward or protected person to appoint a guardian or conservator before the alternative background study can be completed. If the court appoints the guardian or conservator while the alternative background study is pending, the alternative background study must be completed as soon as reasonably possible after the guardian or conservator's appointment and no later than 30 days after the guardian or conservator's appointment; and

(2) a guardian and a conservator once every five years after the guardian or conservator's appointment if the person continues to serve as a guardian or conservator.

(b) An alternative background study is not required if the guardian or conservator is:

- (1) a state agency or county;
- (2) a parent or guardian of a proposed ward or protected person who has a developmental disability if the parent or guardian has raised the proposed ward or protected person in the family home until the time that the petition is filed, unless counsel appointed for the proposed ward or protected person under section 524.5-205, paragraph (d); 524.5-304, paragraph (b); 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a background study; or

(3) a bank with trust powers, a bank and trust company, or a trust company, organized under the laws of any state or of the United States and regulated by the commissioner of commerce or a federal regulator.

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Subd. 6. Guardians and conservators; required checks. (a) An alternative background study for a guardian or conservator pursuant to subdivision 5 shall include:

(1) criminal history data from the Bureau of Criminal Apprehension and other criminal history data obtained by the commissioner of human services;

(2) data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult under section 626.557 or a minor under chapter 260E. If the subject of the study has been the perpetrator of substantiated maltreatment of a vulnerable adult or a minor, the commissioner must include a copy of the public portion of the investigation memorandum under section 626.557, subdivision 12b, or the public portion of the investigation memorandum under section 260E.30. The commissioner shall provide the court with information from a review of information according to subdivision 7 if the study subject provided information that the study subject has a current or prior affiliation with a state licensing agency;

(3) criminal history data from a national criminal history record check as defined in section 245C.02, subdivision 13c; and

(4) state licensing agency data if a search of the database or databases of the agencies listed in subdivision 7 shows that the proposed guardian or conservator has held a professional license directly related to the responsibilities of a professional fiduciary from an agency listed in subdivision 7 that was conditioned, suspended, revoked, or canceled.

(b) If the guardian or conservator is not an individual, the background study must be completed of all individuals who are currently employed by the proposed guardian or conservator who are responsible for exercising powers and duties under the guardianship or conservatorship.

Subd. 7. Guardians and conservators; state licensing data. (a) Within 25 working days of receiving the request for an alternative background study of a guardian or conservator, the commissioner shall provide the court with licensing agency data for licenses directly related to the responsibilities of a guardian or conservator if the study subject has a current or prior affiliation with the:

- (1) Lawyers Responsibility Board;
- (2) State Board of Accountancy;
- (3) Board of Social Work;
- (4) Board of Psychology;
- (5) Board of Nursing;
- (6) Board of Medical Practice;
- (7) Department of Education;
- (8) Department of Commerce;
- (9) Board of Chiropractic Examiners;
- (10) Board of Dentistry;
- (11) Board of Marriage and Family Therapy;
- (12) Department of Human Services;
- (13) Peace Officer Standards and Training (POST) Board; and
- (14) Professional Educator Licensing and Standards Board.

(b) The commissioner and each of the agencies listed above, except for the Department of Human Services, shall enter into a written agreement to provide the commissioner with electronic access to the relevant licensing data and to provide the commissioner with a quarterly list of new sanctions issued by the agency.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the proposed guardian or conservator is or has been licensed by the agency and whether a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation, is in the licensing agency's database.

(d) If the proposed guardian or conservator has resided in a state other than Minnesota during the previous ten years, licensing agency data under this section shall also include licensing agency

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data from any other state where the proposed guardian or conservator reported to have resided during the previous ten years if the study subject has a current or prior affiliation to the licensing agency. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a guardian or conservator from one of the agencies listed under paragraph (a), state licensing agency data shall also include data from the relevant licensing agency of the other state.

(e) The commissioner is not required to repeat a search for Minnesota or out-of-state licensing data on an individual if the commissioner has provided this information to the court within the prior five years.

(f) The commissioner shall review the information in paragraph (c) at least once every four months to determine whether an individual who has been studied within the previous five years:

- (1) has any new disciplinary action or sanction against the individual's license; or
- (2) did not disclose a prior or current affiliation with a Minnesota licensing agency.

(g) If the commissioner's review in paragraph (f) identifies new information, the commissioner shall provide any new information to the court.

245C.032 PUBLIC LAW BACKGROUND STUDIES.

Subdivision 1. **Public law background studies.** (a) Notwithstanding all other sections of chapter 245C, the commissioner shall conduct public law background studies exclusively in accordance with this section. The commissioner shall conduct a public law background study under this section for an individual having direct contact with persons served by a licensed sex offender treatment program under chapters 246B and 253D.

(b) All terms in this section shall have the definitions provided in section 245C.02.

(c) The commissioner shall conduct public law background studies according to the following:

(1) section 245C.04, subdivision 1, paragraphs (a), (b), (d), (g), (h), and (i), subdivision 4a, and subdivision 7;

(2) section 245C.05, subdivision 1, paragraphs (a) and (d), subdivisions 2, 2c, and 2d, subdivision 4, paragraph (a), clauses (1) and (2), subdivision 5, paragraphs (b) to (f), and subdivisions 6 and 7;

(3) section 245C.051;

(4) section 245C.07, paragraphs (a), (b), (d), and (f);

(5) section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), paragraphs (b), (c), (d), and (e), subdivision 3, and subdivision 4, paragraphs (a), (c), (d), and (e);

(6) section 245C.09, subdivisions 1 and 2;

(7) section 245C.10, subdivision 9;

(8) section 245C.13, subdivision 1, and subdivision 2, paragraph (a), and paragraph (c), clauses (1) to (3);

(9) section 245C.14, subdivisions 1 and 2;

(10) section 245C.15;

(11) section 245C.16, subdivision 1, paragraphs (a), (b), (c), and (f), and subdivision 2, paragraphs (a) and (b);

(12) section 245C.17, subdivision 1, subdivision 2, paragraph (a), clauses (1) to (3), clause (6), item (ii), subdivision 3, paragraphs (a) and (b), paragraph (c), clauses (1) and (2), items (ii) and (iii), paragraph (d), clauses (1) and (2), item (ii), and paragraph (e);

(13) section 245C.18, paragraph (a);

(14) section 245C.19;

(15) section 245C.20;

(16) section 245C.21, subdivision 1, subdivision 1a, paragraph (c), and subdivisions 2, 3, and 4;

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(17) section 245C.22, subdivisions 1, 2, and 3, subdivision 4, paragraphs (a) to (c), subdivision 5, paragraphs (a), (b), and (d), and subdivision 6;

(18) section 245C.23, subdivision 1, paragraphs (a) and (b), and subdivision 2, paragraphs (a) to (c);

(19) section 245C.24, subdivision 2, paragraph (a);

(20) section 245C.25;

(21) section 245C.27;

(22) section 245C.28;

(23) section 245C.29, subdivision 1, and subdivision 2, paragraphs (a) and (c);

(24) section 245C.30, subdivision 1, paragraphs (a) and (d), and subdivisions 3 to 5;

(25) section 245C.31; and

(26) section 245C.32.

Subd. 2. **Classification of public law background study data; access to information.** All data obtained by the commissioner for a background study completed under this section shall be classified as private data.

245C.11 BACKGROUND STUDY; COUNTY AGENCIES.

Subd. 3. **Criminal history data.** County agencies shall have access to the criminal history data in the same manner as county licensing agencies under this chapter for purposes of background studies completed before the implementation of NETStudy 2.0 by county agencies on legal nonlicensed child care providers to determine eligibility for child care funds under chapter 119B.

Subd. 3. **Criminal history data.** County agencies shall have access to the criminal history data in the same manner as county licensing agencies under this chapter for purposes of background studies completed before the implementation of NETStudy 2.0 by county agencies on legal nonlicensed child care providers to determine eligibility for child care funds under chapter 119B.

245C.30 VARIANCE FOR A DISQUALIFIED INDIVIDUAL.

Subd. 1a. **Public law background study variances.** For a variance related to a public law background study conducted under section 245C.032, the variance shall state the services that may be provided by the disqualified individual and state the conditions with which the license holder or applicant must comply for the variance to remain in effect. The variance shall not state the reason for the disqualification.

245C.301 NOTIFICATION OF SET-ASIDE OR VARIANCE.

(a) Except as provided under paragraphs (b) and (c), if required by the commissioner, family child care providers and child care centers must provide a written notification to parents considering enrollment of a child or parents of a child attending the family child care or child care center if the program employs or has living in the home any individual who is the subject of either a set-aside or variance.

(b) Notwithstanding paragraph (a), family child care license holders are not required to disclose that the program has an individual living in the home who is the subject of a set-aside or variance if:

(1) the household member resides in the residence where the family child care is provided;

(2) the subject of the set-aside or variance is under the age of 18 years; and

(3) the set-aside or variance relates to a disqualification under section 245C.15, subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

(c) The notice specified in paragraph (a) is not required when the period of disqualification in section 245C.15, subdivisions 2 to 4, has been exceeded.

256.8799 SUPPLEMENTAL NUTRITION ASSISTANCE OUTREACH PROGRAM.

Subdivision 1. **Establishment.** The commissioner of human services shall establish, in consultation with the representatives from community action agencies, a statewide outreach program to better inform potential recipients of the existence and availability of Supplemental Nutrition

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Assistance Program (SNAP) benefits under SNAP. As part of the outreach program, the commissioner and community action agencies shall encourage recipients in the use of SNAP benefits at food cooperatives. The commissioner shall explore and pursue federal funding sources, and specifically, apply for funding from the United States Department of Agriculture for the SNAP outreach program.

Subd. 2. **Administration of the program.** A community association representing community action agencies under section 256E.31, in consultation with the commissioner shall administer the outreach program, issue the request for proposals, and review and approve the potential grantee's plan. Grantees shall comply with the monitoring and reporting requirements as developed by the commissioner in accordance with subdivision 4, and must also participate in the evaluation process as directed by the commissioner. Grantees must successfully complete one year of outreach and demonstrate compliance with all monitoring and reporting requirements in order to be eligible for additional funding.

Subd. 3. **Plan content.** In approving the plan, the association shall evaluate the plan and give highest priority to a plan that:

(1) targets communities in which 50 percent or fewer of the residents with incomes below 125 percent of the poverty level receive SNAP benefits;

(2) demonstrates that the grantee has the experience necessary to administer the program;

(3) demonstrates a cooperative relationship with the local county social service agencies;

(4) provides ways to improve the dissemination of information on SNAP as well as other assistance programs through a statewide hotline or other community agencies;

(5) provides direct advocacy consisting of face-to-face assistance with the potential applicants;

(6) improves access to SNAP by documenting barriers to participation and advocating for changes in the administrative structure of the program; and

(7) develops strategies for combatting community stereotypes about SNAP benefit recipients and SNAP, misinformation about the program, and the stigma associated with using SNAP benefits.

Subd. 4. **Coordinated development.** The commissioner shall consult with representatives from the United States Department of Agriculture, Minnesota Community Action Association, Food First Coalition, Minnesota Department of Human Services, Urban Coalition/University of Minnesota extension services, county social service agencies, local social service agencies, and organizations that have previously administered the state-funded SNAP outreach programs to:

(1) develop the reporting requirements for the program;

(2) develop and implement the monitoring of the program;

(3) develop, coordinate, and assist in the evaluation process; and

(4) provide an interim report to the legislature by January 1997, and a final report to the legislature by January 1998, which includes the results of the evaluation and recommendations.

256.9685 ESTABLISHMENT OF INPATIENT HOSPITAL PAYMENT SYSTEM.

Subd. 1c. **Judicial review.** A hospital, physician, advanced practice registered nurse, or physician assistant aggrieved by an order of the commissioner under subdivision 1b may appeal the order to the district court of the county in which the physician, advanced practice registered nurse, physician assistant, or hospital is located by:

(1) serving a written copy of a notice of appeal upon the commissioner within 30 days after the date the commissioner issued the order; and

(2) filing the original notice of appeal and proof of service with the court administrator of the district court. The appeal shall be treated as a dispositive motion under the Minnesota General Rules of Practice, rule 115. The district court scope of review shall be as set forth in section 14.69.

Subd. 1d. **Transmittal of record.** Within 30 days after being served with the notice of appeal, the commissioner shall transmit to the district court the original or certified copy of the entire record considered by the commissioner in making the final agency decision. The district court shall not consider evidence that was not included in the record before the commissioner.

256.9864 REPORTS BY RECIPIENT.

(a) An assistance unit with a recent work history or with earned income shall report monthly to the county agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts, as specified by the state agency.

(b) An assistance unit required to submit a report on the form designated by the commissioner and within ten days of the due date or the date of the significant change, whichever is later, or otherwise report significant changes which would affect eligibility or assistance amounts, is considered to have continued its application for assistance effective the date the required report is received by the county agency, if a complete report is received within a calendar month in which assistance was received.

256B.011 POLICY FOR CHILDBIRTH AND ABORTION FUNDING.

Between normal childbirth and abortion it is the policy of the state of Minnesota that normal childbirth is to be given preference, encouragement and support by law and by state action, it being in the best interests of the well being and common good of Minnesota citizens.

256B.0631 MEDICAL ASSISTANCE CO-PAYMENTS.

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided on or after September 1, 2011:

(1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval;

(3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) a family deductible equal to \$2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following exceptions:

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- (1) children under the age of 21;
- (2) pregnant women for services that relate to the pregnancy or any other medical condition that may complicate the pregnancy;
- (3) recipients expected to reside for at least 30 days in a hospital, nursing home, or intermediate care facility for the developmentally disabled;
- (4) recipients receiving hospice care;
- (5) 100 percent federally funded services provided by an Indian health service;
- (6) emergency services;
- (7) family planning services;
- (8) services that are paid by Medicare, resulting in the medical assistance program paying for the coinsurance and deductible;
- (9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses, and nonemergency visits to a hospital-based emergency room;
- (10) services, fee-for-service payments subject to volume purchase through competitive bidding;
- (11) American Indians who meet the requirements in Code of Federal Regulations, title 42, sections 447.51 and 447.56;
- (12) persons needing treatment for breast or cervical cancer as described under section 256B.057, subdivision 10; and
- (13) services that currently have a rating of A or B from the United States Preventive Services Task Force (USPSTF), immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130.

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

(1) once a recipient has reached the \$12 per month maximum for prescription drug co-payments;
or

(2) for a recipient who has met their monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.

256B.40 SUBSIDY FOR ABORTIONS PROHIBITED.

No medical assistance funds of this state or any agency, county, municipality or any other subdivision thereof and no federal funds passing through the state treasury or the state agency shall be authorized or paid pursuant to this chapter to any person or entity for or in connection with any abortion that is not eligible for funding pursuant to sections 256B.02, subdivision 8, and 256B.0625.

256B.69 PREPAID HEALTH PLANS.

Subd. 5c. **Medical education and research fund.** (a) The commissioner of human services shall transfer each year to the medical education and research fund established under section 62J.692, an amount specified in this subdivision. The commissioner shall calculate the following:

(1) an amount equal to the reduction in the prepaid medical assistance payments as specified in this clause. After January 1, 2002, the county medical assistance capitation base rate prior to plan specific adjustments is reduced 6.3 percent for Hennepin County, two percent for the remaining metropolitan counties, and 1.6 percent for nonmetropolitan Minnesota counties. Nursing facility and elderly waiver payments and demonstration project payments operating under subdivision 23 are excluded from this reduction. The amount calculated under this clause shall not be adjusted for periods already paid due to subsequent changes to the capitation payments;

(2) beginning July 1, 2003, \$4,314,000 from the capitation rates paid under this section;

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(3) beginning July 1, 2002, an additional \$12,700,000 from the capitation rates paid under this section; and

(4) beginning July 1, 2003, an additional \$4,700,000 from the capitation rates paid under this section.

(b) This subdivision shall be effective upon approval of a federal waiver which allows federal financial participation in the medical education and research fund. The amount specified under paragraph (a), clauses (1) to (4), shall not exceed the total amount transferred for fiscal year 2009. Any excess shall first reduce the amounts specified under paragraph (a), clauses (2) to (4). Any excess following this reduction shall proportionally reduce the amount specified under paragraph (a), clause (1).

(c) Beginning September 1, 2011, of the amount in paragraph (a), the commissioner shall transfer \$21,714,000 each fiscal year to the medical education and research fund.

(d) Beginning September 1, 2011, of the amount in paragraph (a), following the transfer under paragraph (c), the commissioner shall transfer to the medical education research fund \$23,936,000 in fiscal years 2012 and 2013 and \$49,552,000 in fiscal year 2014 and thereafter.

256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.

(a) For services defined in paragraph (b) and rendered on or after July 1, 2007, payment rates shall be increased by 23.7 percent over the rates in effect on January 1, 2006, for:

(1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

(2) community mental health centers under section 256B.0625, subdivision 5; and

(3) mental health clinics certified under section 245I.20, or hospital outpatient psychiatric departments that are designated as essential community providers under section 62Q.19.

(b) This increase applies to group skills training when provided as a component of children's therapeutic services and support, psychotherapy, medication management, evaluation and management, diagnostic assessment, explanation of findings, psychological testing, neuropsychological services, direction of behavioral aides, and inpatient consultation.

(c) This increase does not apply to rates that are governed by section 256B.0625, subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are negotiated with the county, rates that are established by the federal government, or rates that increased between January 1, 2004, and January 1, 2005.

(d) Payment rates shall be increased by 23.7 percent over the rates in effect on December 31, 2007, for:

(1) medication education services provided on or after January 1, 2008, by adult rehabilitative mental health services providers certified under section 256B.0623; and

(2) mental health behavioral aide services provided on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943.

(e) For services defined in paragraph (b) and rendered on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943 and not already included in paragraph (a), payment rates shall be increased by 23.7 percent over the rates in effect on December 31, 2007.

(f) Payment rates shall be increased by 2.3 percent over the rates in effect on December 31, 2007, for individual and family skills training provided on or after January 1, 2008, by children's therapeutic services and support providers certified under section 256B.0943.

(g) For services described in paragraphs (b), (d), and (f) and rendered on or after July 1, 2017, payment rates for mental health clinics certified under section 245I.20 that are not designated as essential community providers under section 62Q.19 shall be equal to payment rates for mental health clinics certified under section 245I.20 that are designated as essential community providers under section 62Q.19. In order to receive increased payment rates under this paragraph, a provider must demonstrate a commitment to serve low-income and underserved populations by:

(1) charging for services on a sliding-fee schedule based on current poverty income guidelines; and

(2) not restricting access or services because of a client's financial limitation.

(h) For services identified under this section that are rendered by providers identified under this section, managed care plans and county-based purchasing plans shall reimburse the providers at a rate that is at least equal to the fee-for-service payment rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by mental health providers.

256D.63 EXPIRATION OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS AND REPORTING REQUIREMENTS.

Subdivision 1. **Expiration of SNAP benefits.** Supplemental Nutrition Assistance Program (SNAP) benefits shall not be stored off line or expunged from a recipient's account unless the benefits have not been accessed for 12 months after the month they were issued.

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256I.03 DEFINITIONS.

Subd. 6. **Medical assistance room and board rate.** "Medical assistance room and board rate" means an amount equal to 81 percent of the federal poverty guideline for a single individual living alone in the community less the medical assistance personal needs allowance under section 256B.35. For the purposes of this section, the amount of the room and board rate that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost may be used to meet a spenddown obligation under section 256B.056, subdivision 5. The medical assistance room and board rate is to be adjusted on the first day of January of each year.

256J.08 DEFINITIONS.

Subd. 10. **Budget month.** "Budget month" means the calendar month which the county agency uses to determine the income or circumstances of an assistance unit to calculate the amount of the assistance payment in the payment month.

Subd. 24b. **Diversionsary work program or DWP.** "Diversionsary work program" or "DWP" has the meaning given in section 256J.95.

Subd. 53. **Lump sum.** "Lump sum" means nonrecurring income as described in section 256P.06, subdivision 3, clause (2), item (ix).

Subd. 61. **Monthly income test.** "Monthly income test" means the test used to determine ongoing eligibility and the assistance payment amount according to section 256J.21.

Subd. 62. **Nonrecurring income.** "Nonrecurring income" means a form of income which is received:

(1) only one time or is not of a continuous nature; or

(2) in a prospective payment month but is no longer received in the corresponding retrospective payment month.

Subd. 81. **Retrospective budgeting.** "Retrospective budgeting" means a method of determining the amount of the assistance payment in which the payment month is the second month after the budget month.

Subd. 83. **Significant change.** "Significant change" means a decline in gross income of the amount of the disregard as defined in section 256P.03 or more from the income used to determine the grant for the current month.

256J.30 APPLICANT AND PARTICIPANT REQUIREMENTS AND RESPONSIBILITIES.

Subd. 5. **Monthly MFIP household reports.** Each assistance unit with a member who has earned income or a recent work history, and each assistance unit that has income deemed to it from a financially responsible person must complete a monthly MFIP household report form. "Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded. To be complete, the MFIP household report form must be signed and dated by the caregivers no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included.

Subd. 7. **Due date of MFIP household report form.** An MFIP household report form must be received by the county agency by the eighth calendar day of the month following the reporting

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period covered by the form. When the eighth calendar day of the month falls on a weekend or holiday, the MFIP household report form must be received by the county agency the first working day that follows the eighth calendar day.

Subd. 8. **Late MFIP household report forms.** (a) Paragraphs (b) to (e) apply to the reporting requirements in subdivision 7.

(b) When the county agency receives an incomplete MFIP household report form, the county agency must immediately contact the caregiver by phone or in writing to acquire the necessary information to complete the form.

(c) The automated eligibility system must send a notice of proposed termination of assistance to the assistance unit if a complete MFIP household report form is not received by a county agency. The automated notice must be mailed to the caregiver by approximately the 16th of the month. When a caregiver submits an incomplete form on or after the date a notice of proposed termination has been sent, the termination is valid unless the caregiver submits a complete form before the end of the month.

(d) An assistance unit required to submit an MFIP household report form is considered to have continued its application for assistance if a complete MFIP household report form is received within a calendar month after the month in which the form was due and assistance shall be paid for the period beginning with the first day of that calendar month.

(e) A county agency must allow good cause exemptions from the reporting requirements under subdivision 5 when any of the following factors cause a caregiver to fail to provide the county agency with a completed MFIP household report form before the end of the month in which the form is due:

- (1) an employer delays completion of employment verification;
- (2) a county agency does not help a caregiver complete the MFIP household report form when the caregiver asks for help;
- (3) a caregiver does not receive an MFIP household report form due to mistake on the part of the department or the county agency or due to a reported change in address;
- (4) a caregiver is ill, or physically or mentally incapacitated; or
- (5) some other circumstance occurs that a caregiver could not avoid with reasonable care which prevents the caregiver from providing a completed MFIP household report form before the end of the month in which the form is due.

256J.33 PROSPECTIVE AND RETROSPECTIVE MFIP ELIGIBILITY.

Subd. 3. **Retrospective eligibility.** After the first two months of MFIP eligibility, a county agency must continue to determine whether an assistance unit is prospectively eligible for the payment month by looking at all factors other than income and then determine whether the assistance unit is retrospectively income eligible by applying the monthly income test to the income from the budget month. When the monthly income test is not satisfied, the assistance payment must be suspended when ineligibility exists for one month or ended when ineligibility exists for more than one month.

Subd. 4. **Monthly income test.** A county agency must apply the monthly income test retrospectively for each month of MFIP eligibility. An assistance unit is not eligible when the countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit. The income applied against the monthly income test must include:

- (1) gross earned income from employment as described in chapter 256P, prior to mandatory payroll deductions, voluntary payroll deductions, wage authorizations, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;
- (2) gross earned income from self-employment less deductions for self-employment expenses in section 256J.37, subdivision 5, but prior to any reductions for personal or business state and federal income taxes, personal FICA, personal health and life insurance, and after the disregards in section 256J.21, subdivision 4, and the allocations in section 256J.36;
- (3) unearned income as described in section 256P.06, subdivision 3, after deductions for allowable expenses in section 256J.37, subdivision 9, and allocations in section 256J.36;

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(4) gross earned income from employment as determined under clause (1) which is received by a member of an assistance unit who is a minor child or minor caregiver and less than a half-time student;

(5) child support received by an assistance unit, excluded under section 256P.06, subdivision 3, clause (2), item (xvi);

(6) spousal support received by an assistance unit;

(7) the income of a parent when that parent is not included in the assistance unit;

(8) the income of an eligible relative and spouse who seek to be included in the assistance unit; and

(9) the unearned income of a minor child included in the assistance unit.

Subd. 5. **When to terminate assistance.** When an assistance unit is ineligible for MFIP assistance for two consecutive months, the county agency must terminate MFIP assistance.

256J.34 CALCULATING ASSISTANCE PAYMENTS.

Subdivision 1. **Prospective budgeting.** A county agency must use prospective budgeting to calculate the assistance payment amount for the first two months for an applicant who has not received assistance in this state for at least one payment month preceding the first month of payment under a current application. Notwithstanding subdivision 3, paragraph (a), clause (2), a county agency must use prospective budgeting for the first two months for a person who applies to be added to an assistance unit. Prospective budgeting is not subject to overpayments or underpayments unless fraud is determined under section 256.98.

(a) The county agency must apply the income received or anticipated in the first month of MFIP eligibility against the need of the first month. The county agency must apply the income received or anticipated in the second month against the need of the second month.

(b) When the assistance payment for any part of the first two months is based on anticipated income, the county agency must base the initial assistance payment amount on the information available at the time the initial assistance payment is made.

(c) The county agency must determine the assistance payment amount for the first two months of MFIP eligibility by budgeting both recurring and nonrecurring income for those two months.

Subd. 2. **Retrospective budgeting.** The county agency must use retrospective budgeting to calculate the monthly assistance payment amount after the payment for the first two months has been made under subdivision 1.

Subd. 3. **Additional uses of retrospective budgeting.** Notwithstanding subdivision 1, the county agency must use retrospective budgeting to calculate the monthly assistance payment amount for the first two months under paragraphs (a) and (b).

(a) The county agency must use retrospective budgeting to determine the amount of the assistance payment in the first two months of MFIP eligibility:

(1) when an assistance unit applies for assistance for the same month for which assistance has been interrupted, the interruption in eligibility is less than one payment month, the assistance payment for the preceding month was issued in this state, and the assistance payment for the immediately preceding month was determined retrospectively; or

(2) when a person applies in order to be added to an assistance unit, that assistance unit has received assistance in this state for at least the two preceding months, and that person has been living with and has been financially responsible for one or more members of that assistance unit for at least the two preceding months.

(b) Except as provided in clauses (1) to (4), the county agency must use retrospective budgeting and apply income received in the budget month by an assistance unit and by a financially responsible household member who is not included in the assistance unit against the MFIP standard of need or family wage level to determine the assistance payment to be issued for the payment month.

(1) When a source of income ends prior to the third payment month, that income is not considered in calculating the assistance payment for that month. When a source of income ends prior to the fourth payment month, that income is not considered when determining the assistance payment for that month.

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(2) When a member of an assistance unit or a financially responsible household member leaves the household of the assistance unit, the income of that departed household member is not budgeted retrospectively for any full payment month in which that household member does not live with that household and is not included in the assistance unit.

(3) When an individual is removed from an assistance unit because the individual is no longer a minor child, the income of that individual is not budgeted retrospectively for payment months in which that individual is not a member of the assistance unit, except that income of an ineligible child in the household must continue to be budgeted retrospectively against the child's needs when the parent or parents of that child request allocation of their income against any unmet needs of that ineligible child.

(4) When a person ceases to have financial responsibility for one or more members of an assistance unit, the income of that person is not budgeted retrospectively for the payment months which follow the month in which financial responsibility ends.

Subd. 4. Significant change in gross income. The county agency must recalculate the assistance payment when an assistance unit experiences a significant change, as defined in section 256J.08, resulting in a reduction in the gross income received in the payment month from the gross income received in the budget month. The county agency must issue a supplemental assistance payment based on the county agency's best estimate of the assistance unit's income and circumstances for the payment month. Supplemental assistance payments that result from significant changes are limited to two in a 12-month period regardless of the reason for the change. Notwithstanding any other statute or rule of law, supplementary assistance payments shall not be made when the significant change in income is the result of receipt of a lump sum, receipt of an extra paycheck, business fluctuation in self-employment income, or an assistance unit member's participation in a strike or other labor action.

256J.37 TREATMENT OF INCOME AND LUMP SUMS.

Subd. 10. Treatment of lump sums. (a) The agency must treat lump-sum payments as earned or unearned income. If the lump-sum payment is included in the category of income identified in subdivision 9, it must be treated as unearned income. A lump sum is counted as income in the month received and budgeted either prospectively or retrospectively depending on the budget cycle at the time of receipt. When an individual receives a lump-sum payment, that lump sum must be combined with all other earned and unearned income received in the same budget month, and it must be applied according to paragraphs (a) to (c). A lump sum may not be carried over into subsequent months. Any funds that remain in the third month after the month of receipt are counted in the asset limit.

(b) For a lump sum received by an applicant during the first two months, prospective budgeting is used to determine the payment and the lump sum must be combined with other earned or unearned income received and budgeted in that prospective month.

(c) For a lump sum received by a participant after the first two months of MFIP eligibility, the lump sum must be combined with other income received in that budget month, and the combined amount must be applied retrospectively against the applicable payment month.

(d) When a lump sum, combined with other income under paragraphs (b) and (c), is less than the MFIP transitional standard for the appropriate payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the MFIP standard or family wage level, the assistance payment must be suspended for the payment month.

256J.425 HARDSHIP EXTENSIONS.

Subd. 6. Sanctions for extended cases. (a) If one or both participants in an assistance unit receiving assistance under subdivision 3 or 4 are not in compliance with the employment and training service requirements in sections 256J.521 to 256J.57, the sanctions under this subdivision apply. For a first occurrence of noncompliance, an assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (1). For a second or third occurrence of noncompliance, the assistance unit must be sanctioned under section 256J.46, subdivision 1, paragraph (c), clause (2). For a fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP. If a participant is determined to be out of compliance, the participant may claim a good cause exception under section 256J.57.

(b) If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

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(c) When a parent in an extended two-parent assistance unit who has not used 60 months of assistance is out of compliance with the employment and training service requirements in sections 256J.521 to 256J.57, sanctions must be applied as specified in clauses (1) and (2).

(1) If the assistance unit is receiving assistance under subdivision 3 or 4, the assistance unit is subject to the sanction policy in this subdivision.

(2) If the assistance unit is receiving assistance under subdivision 2, the assistance unit is subject to the sanction policy in section 256J.46.

(d) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the employment and training services requirements in sections 256J.521 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount shall be 30 percent.

256J.95 DIVERSIONARY WORK PROGRAM.

Subdivision 1. **Establishing a diversionary work program (DWP).** (a) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, establishes block grants to states for temporary assistance for needy families (TANF). TANF provisions allow states to use TANF dollars for nonrecurrent, short-term diversionary benefits. The diversionary work program established on July 1, 2003, is Minnesota's TANF program to provide short-term diversionary benefits to eligible recipients of the diversionary work program.

(b) The goal of the diversionary work program is to provide short-term, necessary services and supports to families which will lead to unsubsidized employment, increase economic stability, and reduce the risk of those families needing longer term assistance, under the Minnesota family investment program (MFIP).

(c) When a family unit meets the eligibility criteria in this section, the family must receive a diversionary work program grant and is not eligible for MFIP.

(d) A family unit is eligible for the diversionary work program for a maximum of four consecutive months. During the four consecutive months, family maintenance needs as defined in subdivision 2, shall be vendor paid, up to the cash portion of the MFIP standard of need for the same size household. To the extent there is a balance available between the amount paid for family maintenance needs and the cash portion of the transitional standard, a personal needs allowance of up to \$70 per DWP recipient in the family unit shall be issued. The personal needs allowance payment plus the family maintenance needs shall not exceed the cash portion of the MFIP standard of need. Counties may provide supportive and other allowable services funded by the MFIP consolidated fund under section 256J.626 to eligible participants during the four-month diversionary period.

Subd. 2. **Definitions.** The terms used in this section have the following meanings.

(a) "Diversionary Work Program (DWP)" means the program established under this section.

(b) "Employment plan" means a plan developed by the job counselor and the participant which identifies the participant's most direct path to unsubsidized employment, lists the specific steps that the caregiver will take on that path, and includes a timetable for the completion of each step. For participants who request and qualify for a family violence waiver in section 256J.521, subdivision 3, an employment plan must be developed by the job counselor, the participant, and a person trained in domestic violence and follow the employment plan provisions in section 256J.521, subdivision 3. Employment plans under this section shall be written for a period of time not to exceed four months.

(c) "Employment services" means programs, activities, and services in this section that are designed to assist participants in obtaining and retaining employment.

(d) "Family maintenance needs" means current housing costs including rent; manufactured home lot rental costs, or monthly principal, interest, insurance premiums, and property taxes due for mortgages or contracts for deed; association fees required for homeownership; utility costs for current month expenses of gas and electric, garbage, water and sewer; and a flat rate of \$35 for telephone services.

(e) "Family unit" means a group of people applying for or receiving DWP benefits together. For the purposes of determining eligibility for this program, the composition of the family unit is determined according to section 256J.24, subdivisions 1 to 4.

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(f) "Minnesota family investment program (MFIP)" means the assistance program as defined in section 256J.08, subdivision 57.

(g) "Personal needs allowance" means an allowance of up to \$70 per month per DWP unit member to pay for expenses such as household products and personal products.

(h) "Work activities" means allowable work activities as defined in section 256J.49, subdivision 13.

(i) "Caregiver" means the caregiver as defined in section 256J.08, subdivision 11.

Subd. 3. Eligibility for diversionary work program. (a) Except for the categories of family units listed in clauses (1) to (8), all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units or individuals that are not eligible for the diversionary work program include:

(1) child only cases;

(2) single-parent family units that include a child under 12 months of age. A parent is eligible for this exception once in a parent's lifetime;

(3) family units with a minor parent without a high school diploma or its equivalent;

(4) family units with an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;

(5) family units with a caregiver who received DWP benefits within the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);

(6) family units with a caregiver who received MFIP within the 12 months prior to the month the family applied for DWP;

(7) family units with a caregiver who received 60 or more months of TANF assistance; and

(8) family units with a caregiver who is disqualified from the work participation cash benefit program, DWP, or MFIP due to fraud.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

Subd. 4. Cooperation with program requirements. (a) To be eligible for DWP, an applicant must comply with the requirements of paragraphs (b) to (d).

(b) Applicants and participants must cooperate with the requirements of the child support enforcement program but will not be charged a fee under section 518A.51.

(c) The applicant must provide each member of the family unit's Social Security number to the county agency. This requirement is satisfied when each member of the family unit cooperates with the procedures for verification of numbers, issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

(d) Before DWP benefits can be issued to a family unit, the caregiver must, in conjunction with a job counselor, develop and sign an employment plan. In two-parent family units, both parents must develop and sign employment plans before benefits can be issued. Supplemental Nutrition Assistance Program (SNAP) and health care benefits are not contingent on the requirement for a signed employment plan.

Subd. 5. Submitting application form. The eligibility date for the diversionary work program begins on the date that the combined application form (CAF) is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; or on the date that diversionary work program eligibility criteria are met, whichever is later. The county agency must inform an applicant that when the applicant submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the applicant submitted

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the application by telephone or through Internet telepresence. The county agency must inform the applicant that any delay in submitting the application will reduce the benefits paid for the month of application. The county agency must inform a person that an application may be submitted before the person has an interview appointment. Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The applicant may withdraw the application at any time prior to approval by giving written or oral notice to the county agency. The county agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing a notice confirming the withdrawal.

Subd. 6. Initial screening of applications. Upon receipt of the application, the county agency must determine if the applicant may be eligible for other benefits as required in sections 256J.09, subdivision 3a, and 256J.28, subdivisions 1 and 5. The county must screen and the applicant must apply for other benefits as required under section 256J.30, subdivision 2. The county must also follow the provisions in section 256J.09, subdivision 3b, clause (2).

Subd. 7. Program and processing standards. (a) The interview to determine financial eligibility for the diversionary work program must be conducted within five working days of the receipt of the cash application form. During the intake interview, the financial worker must discuss:

(1) the goals, requirements, and services of the diversionary work program;

(2) the availability of child care assistance. If child care is needed, the worker must obtain a completed application for child care from the applicant before the interview is terminated. The same day the application for child care is received, the application must be forwarded to the appropriate child care worker. For purposes of eligibility for child care assistance under chapter 119B, DWP participants shall be eligible for the same benefits as MFIP recipients; and

(3) if the applicant has not requested SNAP benefits and health care assistance on the application, the county agency shall, during the interview process, talk with the applicant about the availability of these benefits.

(b) The county shall follow section 256J.74, subdivision 2, paragraph (b), clauses (1) and (2), when an applicant or a recipient of DWP has a person who is a member of more than one assistance unit in a given payment month.

(c) If within 30 days the county agency cannot determine eligibility for the diversionary work program, the county must deny the application and inform the applicant of the decision according to the notice provisions in section 256J.31. A family unit is eligible for a fair hearing under section 256J.40.

Subd. 8. Verification requirements. (a) A county agency must only require verification of information necessary to determine DWP eligibility and the amount of the payment. The applicant or participant must document the information required or authorize the county agency to verify the information. The applicant or participant has the burden of providing documentary evidence to verify eligibility. The county agency shall assist the applicant or participant in obtaining required documents when the applicant or participant is unable to do so.

(b) A county agency must not request information about an applicant or participant that is not a matter of public record from a source other than county agencies, the Department of Human Services, or the United States Department of Health and Human Services without the person's prior written consent. An applicant's signature on an application form constitutes consent for contact with the sources specified on the application. A county agency may use a single consent form to contact a group of similar sources, but the sources to be contacted must be identified by the county agency prior to requesting an applicant's consent.

(c) Factors to be verified shall follow section 256P.04, subdivisions 4 and 5. Except for personal needs, family maintenance needs must be verified before the expense can be allowed in the calculation of the DWP grant.

Subd. 9. Property and income limitations. The asset limits and exclusions in section 256P.02 apply to applicants and participants of DWP. All payments, as described in section 256P.06, subdivision 3, must be counted as income to determine eligibility for the diversionary work program. The agency shall treat income as outlined in section 256J.37, except for subdivision 3a. The initial income test and the disregards in section 256J.21, subdivision 3, shall be followed for determining eligibility for the diversionary work program.

Subd. 10. Diversionary work program grant. (a) The amount of cash benefits that a family unit is eligible for under the diversionary work program is based on the number of persons in the

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family unit, the family maintenance needs, personal needs allowance, and countable income. The county agency shall evaluate the income of the family unit that is requesting payments under the diversionary work program. Countable income means gross earned and unearned income not excluded or disregarded under MFIP. The same disregards for earned income that are allowed under MFIP are allowed for the diversionary work program.

(b) The DWP grant is based on the family maintenance needs for which the DWP family unit is responsible plus a personal needs allowance. Housing and utilities, except for telephone service, shall be vendor paid. Unless otherwise stated in this section, actual housing and utility expenses shall be used when determining the amount of the DWP grant.

(c) The maximum monthly benefit amount available under the diversionary work program is the difference between the family unit's needs under paragraph (b) and the family unit's countable income not to exceed the cash portion of the MFIP transitional standard as defined in sections 256J.08, subdivision 85, and 256J.24, subdivision 5, for the family unit's size.

(d) Once the county has determined a grant amount, the DWP grant amount will not be decreased if the determination is based on the best information available at the time of approval and shall not be decreased because of any additional income to the family unit. The grant must be increased if a participant later verifies an increase in family maintenance needs or family unit size. The minimum cash benefit amount, if income and asset tests are met, is \$10. Benefits of \$10 shall not be vendor paid.

(e) When all criteria are met, including the development of an employment plan as described in subdivision 14 and eligibility exists for the month of application, the amount of benefits for the diversionary work program retroactive to the date of application is as specified in section 256J.35, paragraph (b).

(f) Any month during the four-month DWP period that a person receives a DWP benefit directly or through a vendor payment made on the person's behalf, that person is ineligible for MFIP or any other TANF cash assistance program except for benefits defined in section 256J.626, subdivision 2, clause (1).

If during the four-month period a family unit that receives DWP benefits moves to a county that has not established a diversionary work program, the family unit may be eligible for MFIP the month following the last month of the issuance of the DWP benefit.

Subd. 11. Universal participation required. (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed to develop an employment plan under section 256J.521, subdivision 2, that may contain alternate activities and reduced hours.

(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

(d) One parent in a two-parent family unit that has a natural born child under 12 months of age is not required to have an employment plan until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet in the month after the month the child reaches 12 months of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 months of age that has already used the exclusion in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

Subd. 12. Conversion or referral to MFIP. (a) If at any time during the DWP application process or during the four-month DWP eligibility period, it is determined that a participant is unlikely to benefit from the diversionary work program, the county shall convert or refer the

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participant to MFIP as specified in paragraph (d). Participants who are determined to be unlikely to benefit from the diversionary work program must develop and sign an employment plan.

(b) A participant who meets the eligibility requirements under section 256J.575, subdivision 3, must be considered to be unlikely to benefit from DWP, provided the necessary documentation is available to support the determination.

(c) In a two-parent family unit, if one parent is determined to be unlikely to benefit from the diversionary work program, the family unit must be converted or referred to MFIP.

(d) A participant who is determined to be unlikely to benefit from the diversionary work program shall be converted to MFIP and, if the determination was made within 30 days of the initial application for benefits, no additional application form is required. A participant who is determined to be unlikely to benefit from the diversionary work program shall be referred to MFIP and, if the determination is made more than 30 days after the initial application, the participant must submit a program change request form. The county agency shall process the program change request form by the first of the following month to ensure that no gap in benefits is due to delayed action by the county agency. In processing the program change request form, the county must follow section 256J.32, subdivision 1, except that the county agency shall not require additional verification of the information in the case file from the DWP application unless the information in the case file is inaccurate, questionable, or no longer current.

(e) The county shall not request a combined application form for a participant who has exhausted the four months of the diversionary work program, has continued need for cash and food assistance, and has completed, signed, and submitted a program change request form within 30 days of the fourth month of the diversionary work program. The county must process the program change request according to section 256J.32, subdivision 1, except that the county agency shall not require additional verification of information in the case file unless the information is inaccurate, questionable, or no longer current. When a participant does not request MFIP within 30 days of the diversionary work program benefits being exhausted, a new combined application form must be completed for any subsequent request for MFIP.

Subd. 13. Immediate referral to employment services. Within one working day of determination that the applicant is eligible for the diversionary work program, but before benefits are issued to or on behalf of the family unit, the county shall refer all caregivers to employment services. The referral to the DWP employment services must be in writing and must contain the following information:

(1) notification that, as part of the application process, applicants are required to develop an employment plan or the DWP application will be denied;

(2) the employment services provider name and phone number;

(3) the immediate availability of supportive services, including, but not limited to, child care, transportation, and other work-related aid; and

(4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for good cause, the consequences of refusing or failing to participate fully with program requirements, and the appeal process.

Subd. 14. Employment plan; DWP benefits. As soon as possible, but no later than ten working days of being notified that a participant is financially eligible for the diversionary work program, the employment services provider shall provide the participant with an opportunity to meet to develop an initial employment plan. Once the initial employment plan has been developed and signed by the participant and the job counselor, the employment services provider shall notify the county within one working day that the employment plan has been signed. The county shall issue DWP benefits within one working day after receiving notice that the employment plan has been signed.

Subd. 15. Limitations on certain work activities. (a) Except as specified in paragraphs (b) to (d), employment activities listed in section 256J.49, subdivision 13, are allowable under the diversionary work program.

(b) Work activities under section 256J.49, subdivision 13, clause (5), shall be allowable only when in combination with approved work activities under section 256J.49, subdivision 13, clauses (1) to (4), and shall be limited to no more than one-half of the hours required in the employment plan.

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(c) In order for an English as a second language (ESL) class to be an approved work activity, a participant must:

(1) be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test; and

(2) not have been enrolled in ESL for more than 24 months while previously participating in MFIP or DWP. A participant who has been enrolled in ESL for 20 or more months may be approved for ESL until the participant has received 24 total months.

(d) Work activities under section 256J.49, subdivision 13, clause (6), shall be allowable only when the training or education program will be completed within the four-month DWP period. Training or education programs that will not be completed within the four-month DWP period shall not be approved.

Subd. 16. Failure to comply with requirements. A family unit that includes a participant who fails to comply with DWP employment service or child support enforcement requirements, without good cause as defined in sections 256.741 and 256J.57, shall be disqualified from the diversionary work program. The county shall provide written notice as specified in section 256J.31 to the participant prior to disqualifying the family unit due to noncompliance with employment service or child support. The disqualification does not apply to SNAP or health care benefits.

Subd. 17. Good cause for not complying with requirements. A participant who fails to comply with the requirements of the diversionary work program may claim good cause for reasons listed in sections 256.741 and 256J.57, subdivision 1, clauses (1) to (14). The county shall not impose a disqualification if good cause exists.

Subd. 18. Reinstatement following disqualification. A participant who has been disqualified from the diversionary work program due to noncompliance with employment services may regain eligibility for the diversionary work program by complying with program requirements. A participant who has been disqualified from the diversionary work program due to noncooperation with child support enforcement requirements may regain eligibility by complying with child support requirements under section 256.741. Once a participant has been reinstated, the county shall issue prorated benefits for the remaining portion of the month. A family unit that has been disqualified from the diversionary work program due to noncompliance shall not be eligible for MFIP or any other TANF cash program for the remainder of the four-month period. In a two-parent family, both parents must be in compliance before the family unit can regain eligibility for benefits.

Subd. 19. DWP overpayments and underpayments. DWP benefits are subject to overpayments and underpayments. Anytime an overpayment or an underpayment is determined for DWP, the correction shall be calculated using prospective budgeting. Corrections shall be determined based on the policy in section 256J.34, subdivision 1, paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section 256P.08, subdivision 7. Cross program recoupment of overpayments cannot be assigned to or from DWP.

256P.07 REPORTING OF INCOME AND CHANGES.

Subd. 5. DWP-specific reporting. In addition to subdivisions 3 and 4, an assistance unit participating in the diversionary work program under section 256J.95 must report on an application:

- (1) shelter expenses; and
- (2) utility expenses.

259.83 POSTADOPTION SERVICES.

Subd. 3. Identifying information. In adoptive placements made on and after August 1, 1982, the agency responsible for or supervising the placement shall obtain from the birth parents named on the original birth record an affidavit attesting to the following:

(a) that the birth parent has been informed of the right of the adopted person at the age specified in section 259.89 to request from the agency the name, last known address, birthdate and birthplace of the birth parents named on the adopted person's original birth record;

(b) that each birth parent may file in the agency record an affidavit objecting to the release of any or all of the information listed in clause (a) about that birth parent, and that parent only, to the adopted person;

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(c) that if the birth parent does not file an affidavit objecting to release of information before the adopted person reaches the age specified in section 259.89, the agency will provide the adopted person with the information upon request;

(d) that notwithstanding the filing of an affidavit, the adopted person may petition the court according to section 259.61 for release of identifying information about a birth parent;

(e) that the birth parent shall then have the opportunity to present evidence to the court that nondisclosure of identifying information is of greater benefit to the birth parent than disclosure to the adopted person; and

(f) that any objection filed by the birth parent shall become invalid when withdrawn by the birth parent or when the birth parent dies. Upon receipt of a death record for the birth parent, the agency shall release the identifying information to the adopted person if requested.

259.89 ACCESS TO ORIGINAL BIRTH RECORD INFORMATION.

Subdivision 1. **Request.** An adopted person who is 19 years of age or over may request the commissioner of health to disclose the information on the adopted person's original birth record. The commissioner of health shall, within five days of receipt of the request, notify the commissioner of human services' agent or licensed child-placing agency when known, or the commissioner of human services when the agency is not known in writing of the request by the adopted person.

Subd. 2. **Search.** Within six months after receiving notice of the request of the adopted person, the commissioner of human services' agent or a licensed child-placing agency shall make complete and reasonable efforts to notify each parent identified on the original birth record of the adopted person. The commissioner, the commissioner's agents, and licensed child-placing agencies may charge a reasonable fee to the adopted person for the cost of making a search pursuant to this subdivision. Every licensed child-placing agency in the state shall cooperate with the commissioner of human services in efforts to notify an identified parent. All communications under this subdivision are confidential pursuant to section 13.02, subdivision 3.

For purposes of this subdivision, "notify" means a personal and confidential contact with the birth parents named on the original birth record of the adopted person. The contact shall be by an employee or agent of the licensed child-placing agency which processed the pertinent adoption or some other licensed child-placing agency designated by the commissioner of human services when it is determined to be reasonable by the commissioner; otherwise contact shall be by mail or telephone. The contact shall be evidenced by filing with the commissioner of health an affidavit of notification executed by the person who notified each parent certifying that each parent was given the following information:

(1) the nature of the information requested by the adopted person;

(2) the date of the request of the adopted person;

(3) the right of the parent to file, within 30 days of receipt of the notice, an affidavit with the commissioner of health stating that the information on the original birth record should not be disclosed;

(4) the right of the parent to file a consent to disclosure with the commissioner of health at any time; and

(5) the effect of a failure of the parent to file either a consent to disclosure or an affidavit stating that the information on the original birth record should not be disclosed.

Subd. 3. **Failure to notify parent.** If the commissioner of human services certifies to the commissioner of health an inability to notify a parent identified on the original birth record within six months, and if neither identified parent has at any time filed an unrevoked consent to disclosure with the commissioner of health, the information may be disclosed as follows:

(a) If the person was adopted prior to August 1, 1977, the person may petition the appropriate court for disclosure of the original birth record pursuant to section 259.61, and the court shall grant the petition if, after consideration of the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.

(b) If the person was adopted on or after August 1, 1977, the commissioner of health shall release the requested information to the adopted person.

If either parent identified on the birth record has at any time filed with the commissioner of health an unrevoked affidavit stating that the information on the original birth record should not be

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disclosed, the commissioner of health shall not disclose the information to the adopted person until the affidavit is revoked by the filing of a consent to disclosure by that parent.

Subd. 4. Release of information after notice. If, within six months, the commissioner of human services' agent or licensed child-placing agency documents to the commissioner of health notification of each parent identified on the original birth record pursuant to subdivision 2, the commissioner of health shall disclose the information requested by the adopted person 31 days after the date of the latest notice to either parent. This disclosure will occur if, at any time during the 31 days both of the parents identified on the original birth record have filed a consent to disclosure with the commissioner of health and neither consent to disclosure has been revoked by the subsequent filing by a parent of an affidavit stating that the information should not be disclosed. If only one parent has filed a consent to disclosure and the consent has not been revoked, the commissioner of health shall disclose, to the adopted person, original birth record information on the consenting parent only.

Subd. 5. Death of parent. Notwithstanding the provisions of subdivisions 3 and 4, if a parent named on the original birth record of an adopted person has died, and at any time prior to the death the parent has filed an unrevoked affidavit with the commissioner of health stating that the information on the original birth record should not be disclosed, the adopted person may petition the court of original jurisdiction of the adoption proceeding for disclosure of the original birth record pursuant to section 259.61. The court shall grant the petition if, after consideration of the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.

Subd. 6. Determination of eligibility for enrollment or membership in a federally recognized American Indian tribe. The state registrar shall provide a copy of an adopted person's original birth record to an authorized representative of a federally recognized American Indian tribe for the sole purpose of determining the adopted person's eligibility for enrollment or membership in the tribe.

Subd. 7. Adult adoptions. Notwithstanding section 144.218, a person adopted as an adult shall be permitted to access the person's birth records that existed prior to the adult adoption. Access to the existing birth records shall be the same access that was permitted prior to the adult adoption.

260C.637 ACCESS TO ORIGINAL BIRTH RECORD INFORMATION.

An adopted person may ask the commissioner of health to disclose the information on the adopted person's original birth record according to section 259.89.

261.28 SUBSIDY FOR ABORTIONS PROHIBITED.

No funds of this state or any subdivision thereof administered under this chapter shall be authorized for or in connection with any abortion that is not eligible for funding pursuant to sections 256B.02, subdivision 8, and 256B.0625.

393.07 POWERS AND DUTIES.

Subd. 11. Abortion services; policy and powers. In keeping with the public policy of Minnesota to give preference to childbirth over abortion, Minnesota local social services agencies shall not provide any medical assistance grant or reimbursement for any abortion not eligible for funding pursuant to sections 256B.02, subdivision 8, and 256B.0625.

518A.59 NOTICE OF INTEREST ON LATE CHILD SUPPORT.

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260B.331 or 260C.331 must include a notice to the parties that section 548.091, subdivision 1a, provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.

4615.3600 REPORTS TO THE COMMISSIONER OF HEALTH.

Subpart 1. **Statistical reports.** Each ambulatory facility shall submit a written compilation of statistical data quarterly to the commissioner of health on such forms and in such manner as the commissioner may prescribe.

Subp. 2. **Reporting terminations.** An ambulatory facility shall report all pregnancy terminations performed by its staff as follows:

A. By the tenth of each month all pregnancy terminations performed in the ambulatory facility during the preceding month shall be reported on forms prescribed by the commissioner which shall include but not be limited to the following items:

- (1) patient's city, county and state of residency;
- (2) census tract for city of Minneapolis and city of Saint Paul;
- (3) patient or chart number;
- (4) age;
- (5) race;
- (6) marital status;
- (7) number of living children;
- (8) facility name;
- (9) facility address;
- (10) number of previous induced pregnancy terminations patient;
- (11) estimate of gestational age;
- (12) date of pregnancy termination; and
- (13) type of termination procedure.

B. All surgery-related or anesthesia-related complications which result in morbidity or death of a patient shall be reported in writing to the commissioner within 15 days from the notification to the ambulatory facility of the morbidity or death of the patient.

C. The commissioner shall ensure and maintain confidentiality of all individual pregnancy termination records.

4640.1500 LABORATORY SERVICE.

Subpart 1. **Providing of service.** Laboratory service shall be provided in the hospital.

Subp. 2. **Personnel.** A physician shall have responsibility for the supervision of the laboratory. The laboratory personnel shall be qualified by education, training, and experience for the type of service performed.

It is recommended that this physician be a clinical pathologist.

Subp. 3. **Facilities and equipment.** Facilities and equipment for the performance of routine clinical diagnostic procedures and other laboratory techniques shall be adequate for the services provided.

Subp. 4. **Tissue examination.** Tissue removed at operation or autopsy shall be examined by a competent pathologist and the report of this examination shall be made a part of the patient's record.

4640.1600 X-RAY SERVICE.

Subpart 1. **Providing of service.** X-ray service shall be provided in the hospital.

Subp. 2. **Personnel.** A physician shall have responsibility for the supervision of the X-ray service. The X-ray personnel shall be qualified by education, training, and experience for the type of service performed.

It is recommended that this physician be a radiologist.

Subp. 3. **Facilities and equipment.** Diagnostic and therapeutic X-ray facilities shall be adequate for the services provided. Protection against radiation hazards shall be provided for the patients, operators, and other personnel.

4640.1700 PATIENT ROOMS.

Subpart 1. **Bedrooms.** All bedrooms used for patients shall be outside rooms, dry, well ventilated, naturally lighted, and otherwise suitable for occupancy. Each bedroom shall have direct access to a corridor. Rooms extending below ground level shall not be used as bedrooms for patients, except that any patient bedroom in use prior to the effective date of these rules may be continued provided it does not extend more than three feet below ground level.

Subp. 2. **Rooms used for patients.** No patient shall at any time be admitted for regular bed care to any room other than one regularly designed as a patient room or ward, except in case of emergency and then only as a temporary measure.

Subp. 3. **Placement of beds.** Patients' beds shall not be placed in corridors nor shall furniture or equipment be kept in corridors except in the process of moving from one room to another. There shall be a space of at least three feet between beds and sufficient space around the bed to facilitate nursing care and to accommodate the necessary equipment for care. Beds shall be located to avoid drafts or other discomforts to patients.

Subp. 4. **Window area.** The window area of each bedroom shall equal at least one-eighth of the total floor area. The minimum floor area shall be at least 100 square feet in single bedrooms and at least 80 square feet per bed in multibed rooms. All hospitals in operation as of the effective date of these rules shall comply with the requirements of this subpart to the extent possible, but nothing contained herein shall be so construed as to require major alterations by such hospitals nor shall a license be suspended or revoked for an inability to comply fully with this subpart.

4640.1800 EQUIPMENT FOR PATIENT ROOMS.

The following items shall be provided for each patient unless clinically contraindicated:

A. a comfortable, hospital-type bed, a clean mattress, waterproof sheeting or pad, pillows, and necessary covering. Clean bedding, towels, washcloths, bath blankets, and other necessary supplies shall be kept on hand for use at all times;

B. at least one chair;

C. a locker or closet for storage of clothing. Where one closet is used for two or more persons, provisions shall be made for separation of patients' clothing;

D. a bedside table with compartment or drawer to accommodate personal possessions;

E. cubicle curtains or bed screens to afford privacy in all multibed rooms;

F. a device for signaling attendants which shall be kept in working order at all times, except in psychiatric and pediatric units where an emergency call should be available in each patient's room for the use of the nurse;

G. hand-washing facilities located in the room or convenient to the room for the use of patients and personnel. It is recommended that these be equipped with gooseneck spouts and wrist-action controls;

H. a clinical thermometer; and

I. individual bedpans, wash basins, emesis basins, and mouthwash cups shall be provided for each patient confined to bed. Such utensils shall be sterilized before use by any other patient.

4640.1900 NURSES' STATION.

There shall be one nurses' station provided for each nursing unit. Each station shall be conveniently located for patient service and observation of signals. It shall have a locked, well-illuminated medicine cabinet. Where narcotics are kept on the nursing station, a separate, locked, permanently secured cabinet for narcotics shall be provided. Adequate lighting, space for keeping patients' charts, and for personnel to record and chart shall be provided.

4640.2000 UTILITY ROOMS.

There shall be at least one conveniently located, well-illuminated, and ventilated utility room for each nursing unit. Such room shall provide adequate space and facilities for the emptying, cleaning, sterilizing, and storage of equipment. Bathtubs or lavatories or laundry trays shall not be used for these purposes. A segregation of clean and dirty activities shall be maintained.

It is recommended that a separate subutility room be provided for the exclusive use of maternity patients when other patients are housed on the same floor.

4640.2100 LINEN CLOSET.

A linen closet or linen supply cupboard shall be provided convenient to the nurses' station.

4640.2200 SUPPLIES AND EQUIPMENT.

Supplies and equipment for medical and nursing care shall be provided according to the type of patients accepted. Storage areas shall be provided for supplies and equipment. A separate enclosed space shall be provided and identified for the storage of sterile supplies. Sterile supplies and equipment for the administration of blood and intravenous or subcutaneous solutions shall be readily available. Acceptable arrangements shall be made for the provision of whole blood whenever indicated.

4640.2300 ISOLATION FACILITIES.

A room, or rooms, equipped for the isolation of cases or suspected cases of communicable disease shall be provided. Policies and procedures for the care of infectious patients including the handling of linens, utensils, dishes, and other supplies and equipment shall be established.

4640.2400 SURGICAL DEPARTMENT.

Subpart 1. **Areas to be provided.** All hospitals providing for the surgical care of patients shall have an operating room or rooms, scrub-up facilities, it is recommended that these be located just outside the operating room, cleanup facilities, and space for the storage of surgical supplies and instruments. The surgical suite shall be located to prevent routine traffic through it to any other part of the hospital. It is recommended that the surgical and obstetrical suites be entirely separate.

Subp. 2. **Operating room.** The operating room shall be of sufficient size to accommodate the personnel and equipment needed.

Subp. 3. **Illumination.** There shall be satisfactory illumination of the operative field as well as general illumination.

Subp. 4. **Sterilizing facilities.** Adequate work space, sterilizing space, and sterile storage space shall be provided. Sterilizers and autoclaves of the proper type and necessary capacity for the sterilization of utensils, instruments, dressings, water, and other solutions

shall be provided and maintained in an operating condition. Special precautions shall be taken so that sterile supplies are readily identifiable as such and are completely separated from unsterile supplies. A central sterilizing and supply room is recommended.

Provision of sterile water in flasks is recommended.

4640.2500 ANESTHESIA.

Subpart 1. **Administration.** Anesthesia shall be administered by a person adequately trained and competent in anesthesia administration, or under the close supervision of a physician.

Subp. 2. **Equipment.** Suitable equipment for the administration of the type of anesthesia used shall be available. Where conductive flooring is installed in anesthetizing areas, all equipment shall have safety features as defined in Part II of Standard No. 56, issued in May 1954, entitled Recommended Safe Practice for Hospital Operating Rooms by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts, which part of said standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

Subp. 3. **Oxygen.** Oxygen and equipment for its use shall be available.

Subp. 4. **Storage.** Proper provision shall be made for the safe storage of anesthetic materials.

4640.2600 OBSTETRICAL DEPARTMENT.

Subpart 1. **Areas to be provided.** Hospitals providing for the obstetrical care of maternity patients shall have a delivery room or rooms, in the ratio of one for each 20 maternity beds, scrub-up facilities, cleanup facilities, and space for the storage of obstetrical supplies and instruments. The obstetrical suite shall be located to prevent routine traffic through it to any other part of the hospital.

It is recommended that these be located just outside the delivery room.

An exception is made for those hospitals, which on the effective date of these rules, provide a single room which is used for both surgery and delivery purposes. Scrub-up facilities, cleanup facilities, and space for the storage of supplies and instruments shall be provided in such hospitals. Precautions shall be taken to avoid cross-infection.

Subp. 2. **Delivery room.** The delivery room shall be of sufficient size to accommodate the personnel and equipment needed.

Subp. 3. **Illumination.** There shall be satisfactory illumination of the delivery field as well as general illumination.

Subp. 4. **Labor beds.** One labor bed for each ten maternity beds or fraction thereof shall be provided in a labor room or rooms adjacent to or in the delivery suite unless the patient's own room is used for labor. It is recommended that the labor room be acoustically treated and provided with a toilet and lavatory.

Subp. 5. **Accommodations.** Maternity patients shall not be placed in rooms with other than maternity patients.

Subp. 6. **Minimum equipment requirements for delivery room.** The following shall be provided in the delivery room:

- A. equipment for anesthesia and for the administration of oxygen to the mother;
- B. a source of oxygen with a mechanism for controlling the concentration of oxygen and with a suitable device for administering oxygen to the infant;
- C. a safe and suitable type of suction device for cleaning the infant's upper respiratory tract of mucus and other fluid;

D. a properly heated bassinet for reception of the newborn infant. This shall include no hazardous electrical equipment;

E. sterile equipment suitable for clamping, cutting, tying, and dressing the umbilical cord;

F. provision for prophylactic treatment of the infant's eyes;

G. a device as well as an established procedure for easy and positive identification of the infant before removal from the delivery room. This shall be of a type which cannot be inadvertently removed during routine care of the infant; and

H. sterile supplies and equipment for the administration of blood and intravenous or subcutaneous solutions shall be readily available. Acceptable arrangements shall be made for the provision of the whole blood whenever indicated.

Subp. 7. **Obstetrical isolation facilities.** Maternity patients with infection, fever, or other conditions or symptoms which may constitute a hazard to other maternity patients shall be isolated immediately in a separate room which is properly equipped for isolation in an area removed from the obstetrical department.

4640.2700 NURSERY DEPARTMENT.

Subpart 1. **Newborn nursery.** Each hospital with a maternity service shall provide at least one newborn nursery for the exclusive use of well infants delivered within the institution. The number of bassinets provided shall be at least equal to the number of maternity beds. Each nursery shall be provided with a lavatory with gooseneck spout and other than hand-operated faucets.

It is recommended that each newborn nursery be limited to 12 bassinets. An exit door from the nursery into the corridor is recommended for emergency use.

Subp. 2. **Nursery space of new hospitals.** In hospitals constructed after the effective date of these rules, the total nursery space, exclusive of the workroom, shall provide a floor area of at least 24 square feet for each bassinet, with a distance of at least two feet between each bassinet and an aisle space of at least three feet.

Subp. 3. **Nursery space of existing hospitals.** Hospitals operating as of the effective date of these rules shall comply with subpart 2, to the extent possible, but no hospital shall have a nursery area which provides less than 18 inches between each bassinet and an aisle space of at least three feet, exclusive of the workroom or work area.

Subp. 4. **Bassinet.** Each bassinet shall be mounted on a single stand and be removable to facilitate cleaning.

Subp. 5. **Observation window.** An observation window shall be installed between the corridor and nursery for the viewing of infants.

Subp. 6. **Incubators.** Each nursery department shall have one or more incubators whereby temperature, humidity, and oxygen can be controlled and measured.

Subp. 7. **Premature nursery.** A separate premature nursery and workroom are recommended for hospitals with 25 or more maternity beds on the basis of 30 square feet per incubator and a maximum of six incubators per nursery.

It is recommended that the oxygen concentration be checked by measurement with an oxygen analyzer at least every eight hours or that an incubator-attached, minus 40 percent oxygen concentration limiting device be used.

Subp. 8. **Examination and workroom.** An adjoining examination and workroom shall be provided for each nursery or between each two nurseries. The workroom shall be of adequate size to provide facilities necessary to prepare personnel for work in the nursery, for the examination and treatment of infants by physicians, for charting, for storage of nursery linen, for disposal of soiled linen, for storage and dispensing of feedings, and for

initial rinsing of bottles and nipples. Each workroom shall be provided with a scrub-up sink having foot, knee, or elbow action controls; counter with counter sink having a gooseneck spout and other than hand-operated controls.

Hospitals operating as of the effective date of these rules shall comply with regulation subpart 2, to the extent possible, but if a separate examination and workroom is not provided, there shall be a segregated examination and work area in the nursery. The work area shall be of adequate size and provide the facilities and equipment necessary to prepare personnel for work in the nursery, for the examination and treatment of infants by physicians, for storage of nursery linen, and for the dispensing of feedings.

Subp. 9. **Formula preparation.** Space and equipment for cleanup, preparation, and refrigeration to be used exclusively for infant formulas shall be provided apart from care areas and apart from other food service areas. A registered nurse or a dietitian shall be responsible for the formula preparation. A separate formula room is recommended; terminal sterilization is recommended.

Subp. 10. **Suspect nursery or room.** There shall be a room available for the care of newborn infants suspected of having a communicable disease and for newborn infants admitted from the outside. Where a suspect nursery is available, it shall provide 40 square feet per bassinet with a maximum of six bassinets and have a separate workroom. Isolation technique shall be used in the suspect nursery.

Subp. 11. **Isolation.** Infants found to have an infectious condition shall be transferred promptly to an isolation area elsewhere in the hospital.

4640.2800 PREPARATION AND SERVING OF FOOD.

Subpart 1. **Supervision.** The dietary department shall be under the supervision of a trained dietitian or other person experienced in the handling, preparation, and serving of foods; in the preparation of special diets; and in the supervision and management of food service personnel. This person shall be responsible for compliance with safe practices in food service and sanitation.

Subp. 2. **Kitchen.** There shall be sufficient space and equipment for the proper preparation and serving of food for both patients and personnel. The kitchen shall be used for no other purpose than activities connected with the dietary service and the washing and storage of dishes and utensils. A dining room or rooms shall be provided for personnel.

It is recommended that a separate dishwashing area or room be provided.

Subp. 3. **Food.** Food for patients and employees shall be nutritious, free from contamination, properly prepared, palatable, and easily digestible. A file of the menus served shall be maintained for at least 30 days.

Subp. 4. **The serving and storage of food.** All foods shall be stored and served so as to be protected from dust, flies, rodents, vermin, unnecessary handling, overhead leakage, and other means of contamination. All readily perishable food shall be stored in clean refrigerators at temperatures of 50 degrees Fahrenheit or lower. Each refrigerator shall be equipped with a thermometer.

Subp. 5. **Milk and ice.** All fluid milk shall be procured from suppliers licensed by the commissioner of agriculture or pasteurized in accordance with the requirements prescribed by the commissioner of agriculture. The milk shall be dispensed directly from the container in which it was packaged at the pasteurization plant. Ice used in contact with food or drink shall be obtained from a source acceptable to the commissioner of health, and handled and dispensed in a sanitary manner.

Subp. 6. **Hand-washing facilities.** Hand-washing facilities with hot and cold running water, soap, and individual towels shall be accessible for the use of all food handlers and so located in the kitchen to permit direct observation by the supervisor. No employee shall resume work after using the toilet room without first washing his or her hands.

4640.2900 DISHWASHING FACILITIES AND METHODS.

Subpart 1. **Methods.** Either of the following methods may be employed in dishwashing.

Subp. 2. **Manual.** A three-compartment sink or equivalent of a size adequate to permit the introduction of long-handled wire baskets of dishes shall be provided. There shall be a sufficient number of baskets to hold the dishes used during the peak load for a period sufficient to permit complete air drying. Water-heating equipment capable of maintaining the temperature of the water in the disinfection compartment at 170 degrees Fahrenheit shall be provided. Drain boards shall be part of the three-compartment sink and adequate space shall be available for drainage. The dishes shall be washed in the first compartment of the sink with warm water containing a suitable detergent; rinsed in clear water in the second compartment; and disinfected by complete immersion in the third compartment for at least two minutes in water at a temperature not lower than 170 degrees Fahrenheit. Temperature readings shall be determined by a thermometer. Dishes and utensils shall be air-dried.

Subp. 3. **Mechanical.** Water pressure in the lines supplying the wash and rinse section of the dishwashing machine shall not be less than 15 pounds per square inch nor more than 30 pounds per square inch. The rinse water shall be at a temperature not lower than 180 degrees Fahrenheit at the machine. The machines shall be equipped with thermometers which will indicate accurately the temperature of the wash water and rinse water. Dishes and utensils shall be air-dried. New dishwashing machines shall conform to sections 1, 2, 3, 4, and 6 on pages 7-28 inclusive, of Standard No. 3 issued in May 1953, entitled Spray-Type Dishwashing Machines by the National Sanitation Foundation, Ann Arbor, Michigan, which sections of such standard are hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

4640.3000 VENTILATION.

All rooms in which food is stored, prepared, or served or in which utensils are washed shall be well ventilated. The cooking area shall be ventilated to control temperatures, smoke, and odors.

4640.3100 GARBAGE DISPOSAL.

Garbage shall be disposed of in a manner acceptable to the commissioner of health. When stored, it shall be retained in watertight metal cans equipped with tightly fitting metal covers. All containers for the collection of garbage and refuse shall be kept in a sanitary condition.

4640.3200 TOILET AND LAVATORY FACILITIES.

Conveniently located toilet and lavatory facilities shall be provided for employees engaged in food handling. Toilet rooms shall not open directly into any room in which food is prepared or utensils are handled or stored.

4640.3300 WATER FACILITIES.

Subpart 1. **Water supply.** The water supply shall be of safe sanitary quality, suitable for use, and shall be obtained from a water supply system, the location, construction, and operation of which are acceptable to the commissioner of health. Hot water of a temperature required for its specific use shall be available as needed. For the protection of patients and personnel, thermostatically controlled valves shall be installed where indicated.

Subp. 2. **Sewage disposal.** Sewage shall be discharged into a municipal sewerage system where such a system is available; otherwise, the sewage shall be collected, treated, and disposed of in a sewage disposal system which is acceptable to the commissioner of health.

Subp. 3. **Plumbing.** The plumbing and drainage, or other arrangements for the disposal of excreta and wastes, shall be in accordance with the rules of the commissioner of health and with the provisions of the Minnesota Plumbing Code, chapter 4714.

Subp. 4. **Toilets.** Toilets shall be conveniently located and provided in number ample for use according to the number of patients and personnel of both sexes. The minimum requirement is one toilet for each eight patients or fraction thereof. It is recommended that separate toilet and bathing facilities be provided for maternity patients.

Subp. 5. **Hand-washing facilities.** Hand-washing facilities of the proper type in each instance shall be readily available for physicians, nurses, and other personnel. Lavatories shall be provided in the ratio of at least one lavatory for each eight patients or fraction thereof. Lavatories shall be readily accessible to all toilets. Individual towels and soap shall be available at all times. The use of the common towel is prohibited. It is recommended that each patient's room be equipped with a lavatory.

Subp. 6. **Bathing facilities.** A bathtub or shower shall be provided in the ratio of at least one tub or shower for each 30 patients or fraction thereof. It is recommended that separate toilet and bathing facilities be provided for maternity patients.

4640.3400 SCREENS.

Outside openings including doors and windows shall be properly screened or otherwise protected to prevent the entrance of flies, mosquitoes, and other insects.

4640.3500 PHYSICAL PLANT.

Subpart 1. **Safety.** The hospital structure and its equipment shall be kept in good repair and operated at all times with regard for the health, treatment, comfort, safety, and well-being of the patients and personnel. All dangerous areas and equipment shall be provided with proper guards and appropriate devices to prevent accidents. Elevators, dumbwaiters, and machinery shall be so constructed and maintained as to comply with the rules of the Division of Accident Prevention, Minnesota Department of Labor and Industry. All electrical wiring, appliances, fixtures, and equipment shall be installed to comply with the requirements of the Board of Electricity.

Subp. 2. **Fire protection.** Fire protection for the hospital shall be provided in accordance with the requirements of the state fire marshal. Approval by the state fire marshal of the fire protection of a hospital shall be a prerequisite for licensure.

Subp. 3. **Heating.** The heating system shall be capable of maintaining temperatures adequate for the comfort and protection of all patients at all times.

Subp. 4. **Incinerator.** An incinerator shall be provided for the safe disposal of infected dressings, surgical and obstetrical wastes, and other similar materials.

Subp. 5. **Laundry.** The hospital shall make provision for the proper laundering of linen and washable goods. Where linen is sent to an outside laundry, the hospital shall take reasonable precautions to see that contaminated linen is properly handled.

Subp. 6. **General illumination.** All areas shall be adequately lighted.

Subp. 7. **Lighting in hazardous areas.** All lighting and electrical fixtures including emergency lighting in operating rooms, delivery rooms, and spaces where explosive gases are used or stored shall comply with Part II of Standard No. 56, issued in May 1954, entitled Recommended Safe Practice for Hospital Operating Rooms, by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts, which part of said standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

Subp. 8. **Emergency lighting.** Safe emergency lighting equipment shall be provided and distributed so as to be readily available to personnel on duty in the event of a power

failure. There shall be at least a battery operated lamp with vaporproof switch, in readiness at all times for use in the delivery and operating rooms.

It is recommended that an independent source of power be available for emergency lighting of surgical and obstetrical suites, exits, stairways, and corridors.

Subp. 9. **Stairways and ramps.** All stairways and ramps shall be provided with handrails on both sides and with nonskid treads.

Subp. 10. **General storage.** Space shall be provided for the storage of supplies and equipment. Corridors shall not be used as storage areas.

Subp. 11. **Telephones.** Adequate telephone service shall be provided in order to assure efficient service and operation of the institution and to summon help promptly in case of emergency.

Subp. 12. **Ventilation.** Kitchens, laundries, toilet rooms, and utility rooms shall be ventilated by windows or mechanical means to control temperatures and offensive odors. If ventilation is used in operating rooms, delivery rooms, or other anesthetizing areas, the system shall conform to the requirements of part 4645.3200.

Subp. 13. **Walls, floors, and ceilings.** Walls, floors, and ceilings shall be kept clean and in good repair at all times. They shall be of a type to permit good maintenance including frequent washings, cleaning, or painting.

4640.3600 STAFF.

Subpart 1. **Medical director or chief of staff.** There shall be a medical director or chief of staff who shall be a licensed physician with training and experience in psychiatry and who shall assume responsibility for the medical care rendered.

Subp. 2. **Medical and nursing staff.** An adequate medical staff shall be provided to assure optimum care of patients at all times. The director of the nursing service shall be a well-qualified, registered nurse with training and experience in psychiatric nursing. There shall be a sufficient number of nurses, psychiatric aides, and attendants under the director's supervision to assure optimum care of patients at all times.

Subp. 3. **Other staff.** The staff shall include a sufficient number of qualified physical and occupational therapists to provide rehabilitation services for the number of patients accommodated. The hospital shall make provisions in its staff organization for consultations in the specialized fields of medicine.

4640.3700 DENTAL SERVICE.

Provisions shall be made for dental service either within or outside the institution.

4640.3800 PROTECTION OF PATIENTS AND PERSONNEL.

Subpart 1. **Security.** Every reasonable precaution shall be taken for the security of patients and personnel. Drugs, narcotics, sharp instruments, and other potentially hazardous articles shall be inaccessible to patients.

Subp. 2. **Segregation of patients.** Patients with tuberculosis or other communicable disease shall be segregated.

Subp. 3. **Seclusion and restraints.** Patients shall not be placed in seclusion or mechanical restraints without the written order of the physician in charge unless, in the judgment of the supervisor in charge of the service, the safety and protection of the patient, hospital employees, or other patients require such immediate seclusion or restraint. Such seclusion or restraint shall not be continued beyond eight hours except by written or telephone order of the attending physician. Emergency orders given by telephone shall be reduced to writing immediately upon receipt and shall be signed by the staff member within 24 hours

after the order is given. Such patient shall be under reasonable observation and care of a nurse or attendant at all times.

4640.3900 FLOOR AREA IN PATIENTS' ROOMS.

The following minimum areas shall be provided:

A. psychiatric units and wards of general hospitals, and those units and wards of public and private mental hospitals where diagnosis and intensive treatment are provided, such as receiving, medical and surgical, tuberculosis, intensive treatment and rehabilitation, and units and wards for the acutely disturbed patient: parts 4640.1700 to 4640.2200 shall apply; and

B. continued treatment areas for long-term patients: in hospitals constructed after the effective date of these rules, the minimum floor area shall be at least 80 square feet in single rooms and 60 square feet in multibed rooms; in dormitory areas, this may include the space devoted to aisles. All main traffic aisles shall be five feet in width except in large dormitories where the aisle serves ten or more patients, it shall be six feet in width.

All hospitals in operation as of the effective date of these rules shall comply with the requirements of this part to the extent possible.

Beds shall be placed at least three feet from adjacent beds except where partitions or other barriers separate beds or where two beds are placed foot-to-foot. Beds shall be so located as to avoid drafts and other discomforts to patients.

Whenever the patient's condition permits, each individual patient's area shall be equipped with a chair and a bedside cabinet. Adequate provision shall be made for the storage of patients' clothes and other personal possessions.

4640.4000 DINING ROOM.

A minimum of 12 square feet of dining room space shall be provided for each patient. Arrangements may be made for multiple seatings.

4640.4100 RECREATION AND DAYROOMS.

Space shall be provided for recreation and dayroom areas.

4640.4200 SPECIALIZED TREATMENT FACILITIES.

Space and equipment for physical, occupational, and recreational therapy shall be provided. Storage space for equipment shall be provided.

4640.4300 INSTITUTIONS FOR THE MENTALLY DEFICIENT AND EPILEPTIC.

Hospital sections in institutions for persons with developmental disabilities and epilepsy shall comply with the applicable portions of the rules for general hospitals contained herein.

Parts 4640.3900, except for item A, 4640.4000, and 4640.4100 shall apply to the sections of these institutions other than the hospital sections. Hospital rules shall not apply to facilities for foster care licensed by the commissioner of human services nor to institutions that do not have hospital units.

4640.6100 STAFF.

Subpart 1. **Licensed physician.** A licensed physician with interest, training, and experience in the medical and physical rehabilitation of the chronically ill shall be responsible for the adequacy of the medical care rendered.

Subp. 2. **Medical and nursing staff.** An adequate medical staff shall be provided to assure optimum care of patients at all times. The director of the nursing service shall be a well-qualified, registered nurse with experience in rehabilitation nursing. There shall be a

sufficient number of nurses and attendants under the director's supervision to assure optimum care of patients at all times.

Subp. 3. **Other staff.** The services of at least one qualified physical therapist and one qualified occupational therapist shall be available, preferably on a full-time basis. Additional therapists shall be provided to assure optimum care for the number of patients accommodated. There shall be an adequate number of medical social workers. Educational and vocational educational personnel shall be provided where indicated. The hospital shall make provisions in its staff organization for consultations in the specialized fields of medicine.

4640.6200 DENTAL SERVICE.

Provision shall be made for dental service either within or outside the institution.

4640.6300 DIAGNOSTIC AND TREATMENT FACILITIES AND SERVICES.

Laboratory and X-ray facilities and services as well as basal metabolism and electrocardiograph shall be provided unless available in an adjacent general hospital.

4640.6400 ROOMS IN THE HOSPITAL.

Subpart 1. **Dining room.** Every possible effort shall be made to encourage all patients to eat in a common dining room. A minimum of 15 square feet shall be provided for each ambulatory patient. Arrangements may be made for multiple seatings. Areas in dayrooms and solaria may be utilized for this purpose.

Subp. 2. **Dayroom or solarium.** Every possible effort shall be made to encourage all patients to utilize dayrooms, solaria, recreational and occupational therapy, and similar areas. A minimum of 25 square feet per patient shall be provided.

Subp. 3. **Specialized treatment facilities.** Space and equipment for physical, occupational, and recreational therapy shall be provided. Storage space for equipment shall be provided.

4645.0300 DESIGN AND CONSTRUCTION.

All design and construction shall conform to all applicable portions of parts 4645.0200 to 4645.5200 of these hospital rules.

4645.0400 COMPLIANCE.

All construction including exit lights and fire towers; heating, piping, ventilation, and air-conditioning; plumbing and drainage; electrical installations; elevators and dumbwaiters; refrigeration; kitchen equipment; laundry equipment; and gas piping shall be in strict compliance with all applicable state and local codes, ordinances, and rules not in conflict with the provisions contained in parts 4645.0200 to 4645.5200.

4645.0500 HOSPITALS OF LESS THAN 50 BEDS.

In hospitals of less than 50 beds, the size of the various departments will be generally smaller and will depend upon the requirements of the particular hospital. Some of the functions allotted separate spaces or rooms may be combined in such hospitals provided that the resulting plan will not compromise the best standards of medical and nursing practice. In other respects the rules as set forth herein, including the area requirements, shall apply.

4645.0600 ADMINISTRATION DEPARTMENT.

The administration department shall consist of a business office with information counter, administrator's office, medical record room, staff lounge, lobby, and public toilets for each sex. If over 100 beds, the following additional areas shall be provided: director of nurses' office, admitting office, library, conference, and board room.

It is recommended that the following be provided: a PBX board and night information for all hospitals; director of nurses' office in hospitals under 100 beds; medical social service room, and retiring room in hospitals over 100 beds.

4645.0700 ADJUNCT DIAGNOSTIC AND TREATMENT FACILITIES.

Subpart 1. **Laboratory.** Adequate facilities and equipment for the performance of routine clinical diagnostic procedures and other laboratory techniques in keeping with the services rendered by the hospital shall be provided. Approximately 4-1/2 square feet of floor space per patient bed shall be provided.

Subp. 2. **Basal metabolism and electrocardiography.** One room shall be provided for basal metabolism and electrocardiography in hospitals with 100 beds or more.

Subp. 3. **Recommended facilities.** It is recommended that these facilities, except for morgue and autopsy, be located convenient to both inpatients and outpatients.

It is recommended that space be provided for electrotherapy, hydrotherapy, massage, and exercise in hospitals with 100 beds or more.

Subp. 4. **Radiology.** Radiographic room or rooms with adjoining darkroom, toilet, dressing cubicles, and office shall be provided. Protection against radiation hazards shall be provided for the patients, operators, and other personnel. To assure adequate protection against radiation hazards, X-ray apparatus and protection shall be installed in accordance with the applicable standards prescribed in Handbook 41, issued March 30, 1949, entitled Medical X-ray Protection up to Two Million Volts and Handbook 50, issued May 9, 1952, entitled X-Ray Protection Design by the National Bureau of Standards, U.S. Department of Commerce, Superintendent of Documents, Washington 25, D.C., which standards are hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

Subp. 5. **Pharmacy.** A drug room shall be provided.

Subp. 6. **Morgue and autopsy room.** A morgue and autopsy room shall be provided in hospitals with 100 beds or more. Where morgue and autopsy rooms are provided, they shall be properly equipped and ventilated and of sufficient size to allow for the performance of satisfactory pathological examinations. Definite arrangements for space and facilities for the performance of autopsies outside the hospital shall be made if the hospital does not have an autopsy room.

4645.0800 NURSING DEPARTMENT.

Subpart 1. **Patients' rooms.** All patients' rooms shall be outside rooms and have direct access to a hall. The window area shall not be less than one-eighth of the total floor area. No bedrooms shall be located below grade. Minimum room areas shall be 80 square feet per bed in rooms having two or more beds and 100 square feet in single rooms. No bedroom shall have more than four beds. Each bedroom or its adjoining toilet or bathroom shall have a lavatory equipped with gooseneck spout and wrist-action controls. A locker shall be provided for each patient.

Subp. 2. **Areas to be provided.** The following areas shall be provided in each nursing unit: nurses' station, utility room divided into dirty and clean areas, bedpan facilities, toilet facilities for each sex in a ratio of one toilet for each eight patients or fraction thereof, bathtubs or showers in a ratio of one tub or shower for each 30 patients or fraction thereof, linen and supply storage, and janitors' closet. Each nursing floor shall have a floor pantry and nurses' toilet room. Separate subutility, toilet, and bathing facilities shall be provided for the maternity section.

It is recommended that a stretcher alcove, treatment room, and solarium be provided.

A psychiatric or quiet room is recommended in general hospitals not providing a psychiatric unit.

Adjustments will be made where patients' rooms are provided with individual toilets.

Subp. 3. **Nurses' station.** Each nurses' station shall be conveniently located for patient service and observation of signals. It shall have a locked, well-illuminated medicine cabinet. Where narcotics are kept on the nursing station, a separate, locked, permanently secured cabinet for narcotics shall be provided. Adequate lighting, hand-washing facilities, space for keeping patients' charts, and for personnel to record and chart shall be provided. Refrigeration storage shall be provided for medications and biologics unless provided elsewhere.

Subp. 4. **Isolation suite.** One isolation suite shall be provided in each hospital unless a contagious disease nursing unit is available in the hospital. The isolation suite shall consist of one or more patients' rooms, each having an adjacent toilet equipped with bedpan lugs and spray attachment. Each suite shall have a subutility room equipped with utensil sterilizer, sink, and storage cabinets.

4645.0900 SURGICAL DEPARTMENT.

Subpart 1. **Location.** The surgical department shall be so located to prevent routine traffic through it to any other part of the hospital and completely separated from the obstetrical department.

Subp. 2. **The operating suite.** The operating suite shall consist of major operating room or rooms, each having an area of not less than 270 square feet with a minimum width of 15 feet; separate scrub-up area adjacent to operating room; cleanup room; storage areas for instruments, sterile supplies, and anesthesia equipment; and a janitors' closet. In hospitals consisting of 50 or more beds, a surgical supervisor's station, doctors' locker room and toilet, and nurses' locker room and toilet shall be provided. In hospitals of less than 50 beds, doctors' and nurses' locker and toilet rooms may be provided in a convenient location outside the operating and delivery suites to serve both units.

A stretcher alcove and a recovery (postanesthesia) room are recommended.

Subp. 3. **Central sterilizing and supply room.** A central sterilizing and supply room shall be provided and divided into work space, sterilizing space, and separate storage areas for sterile and unsterile supplies. Sterilizers and autoclaves for adequate sterilization of supplies and utensils shall be provided.

Provision of sterile water in flasks is recommended.

4645.1000 EMERGENCY ROOM.

An emergency room shall be provided separate from the operating and delivery suites.

4645.1100 OBSTETRICAL DEPARTMENT.

Subpart 1. **Location.** The obstetrical department shall be so located to prevent routine traffic through it to any other part of the hospital and completely separated from the surgical department. A combination classroom-parent teaching room is recommended in the obstetrical departments, outside the delivery suite.

Subp. 2. **The delivery suite.** The delivery suite shall consist of delivery room or rooms, each having an area of not less than 270 square feet with a minimum width of 15 feet; separate scrub-up area adjacent to delivery room; cleanup room; storage areas for instruments and sterile supplies; and a janitors' closet. In hospitals consisting of 50 or more beds, an obstetrical supervisor's station, doctors' locker room and toilet, and nurses' locker room and toilet shall be provided. In hospitals of less than 50 beds, doctors' and nurses' locker and toilet rooms may be provided in a convenient location outside the delivery and operating suites to serve both units. A stretcher alcove is recommended.

Subp. 3. **Delivery room.** One delivery room shall be provided for each 20 maternity beds.

Subp. 4. **Labor room.** A labor room with a lavatory and an adjacent toilet shall be provided in a convenient location with respect to the delivery room. One labor bed shall be provided for each 10 maternity beds. The labor room shall be acoustically treated or so located to minimize the possibility of sounds reaching other patients.

4645.1200 NURSERY DEPARTMENT.

Subpart 1. **Size.** Each hospital providing a maternity service shall have a nursery department of sufficient size to accommodate the anticipated load.

Subp. 2. **Newborn nursery.** A minimum floor area of 24 square feet per bassinet shall be provided in each newborn nursery with not more than 12 bassinets in each nursery. A connecting examination and work room shall be provided.

A separate premature nursery and work room are recommended for hospitals with 25 or more maternity beds on the basis of 30 square feet per incubator and a maximum of six incubators per nursery.

Subp. 3. **Suspect nursery.** A suspect nursery with a separate connecting workroom shall be provided in hospitals of 50 beds or more. At least 40 square feet of floor area shall be provided for each bassinet with no more than six bassinets in each suspect nursery.

Subp. 4. **Formula room.** A formula room shall be provided in the nursery area or in the dietary department where adequate supervision can be provided. This room shall be used exclusively for the preparation of infant formulas. The formula room shall contain a lavatory with gooseneck spout and wrist-action controls, a two-compartment sink for washing and rinsing bottles and utensils, and adequate storage and counter space. The work space shall be divided into clean and dirty sections. Equipment shall be provided for sterilization. Refrigerated storage space sufficient for one day's supply of prepared formulas shall be provided in this room or in the nursery workroom. Terminal sterilization is recommended.

4645.1300 SERVICE DEPARTMENT.

Subpart 1. **Dietary facilities.** Dietary facilities shall consist of main kitchen with provision for the protected storage of clean dishes, utensils, and foodstuffs; day storage room; adequate refrigeration; dishwashing facilities; and the necessary space and provisions for the handling and disposal of garbage. A dietitian's office shall be provided in hospitals of 50 or more beds. Hand-washing facilities with hot and cold water, soap, and individual towels shall be accessible for the use of all food-service personnel and so located to permit direct observation by the supervisor. Dining space for personnel, allowing 12 square feet per person, shall be provided. This space may be designed for multiple seatings.

Subp. 2. **Laundry facilities.** Each hospital shall have a laundry of sufficient capacity to process a full seven days' laundry during the work week unless commercial or other laundry facilities are available. It shall include sorting area; processing area; and clean linen and sewing room separate from the laundry. The sewing room may be combined with the clean linen room in hospitals of less than 100 beds. Where no laundry is provided in the hospital, a soiled linen room and a clean linen and sewing room shall be provided.

Subp. 3. **Housekeeper's office.** A housekeeper's office shall be provided. This may be combined with the clean linen room in hospitals of less than 100 beds.

Subp. 4. **Mechanical facilities.** A boiler and pump room with engineers' space and maintenance shop shall be provided. In hospitals of more than 100 beds, separate areas for carpentry, painting, and plumbing shall be provided.

Shower and locker facilities are recommended.

Subp. 5. **Employees facilities.** Locker rooms with lockers, rest rooms, toilets, and showers for nurses and female help; and a locker room with lockers, toilets, and showers for male help shall be provided.

Subp. 6. **Storage.** Inactive record storage shall be provided. General storage of not less than 20 square feet per bed shall be provided. General storage shall be concentrated in one area in so far as possible.

4645.1400 CONTAGIOUS DISEASE NURSING UNIT.

When ten or more beds are provided for contagious disease, they shall be contained in a separate nursing unit. Each patient room shall have a view window from the corridor, a separate toilet, a lavatory in the room, and shall contain no more than two beds. Each nursing unit shall contain a nurses' station, utility room, nurses' work room, treatment room, scrub sinks conveniently located in the corridor, serving pantry with separate dishwashing room adjacent, doctors' locker space and gown room, nurses' locker space and gown room, janitors' closet, and a storage closet.

Glazed partitions between beds and a stretcher alcove are recommended.

4645.1500 PEDIATRIC NURSING UNIT.

Where there are 16 or more pediatric beds a separate pediatric nursing unit shall be provided. Minimum room areas shall be 100 square feet in single rooms, 80 square feet per bed in rooms having two or more beds, and 40 square feet per bassinet in nurseries. Each nursing unit shall contain a nursery with bassinets in cubicles, isolation suite, treatment room, nurses' station with adjoining toilet room, utility room, floor pantry, play room or solarium, bath and toilet room with raised free-standing tub and 50 percent children's fixtures, bedpan facilities, janitors' closet, and a storage closet.

Glazed cubicles for each bed in multibed rooms, clear glazing between rooms and in corridor partitions, and a wheel chair and stretcher alcove are recommended.

4645.1600 PSYCHIATRIC NURSING UNIT.

Where a psychiatric nursing unit is provided, the principles of psychiatric security and safety shall be followed throughout. Layout and design shall be such that the patient will be under close observation and will not be afforded opportunity for hiding, escape, or suicide. Care shall be taken to avoid sharp projections, exposed pipes, fixtures, or heating elements to prevent injury by accident. Minimum room areas shall be 100 square feet in single rooms, 80 square feet per bed in rooms having two or more beds, and 25 square feet per patient in dayrooms. Each nursing unit shall contain a doctors' office, examination room, nurses' station, dayroom, pantry, dining room, utility room, bedpan facilities, toilet rooms for each sex, shower and bathroom, continuous tub room for disturbed patients, patients' personal laundry for women's wards only, patients' locker room, storage closet for therapy equipment, stretcher closet, linen closet, supply closet, and a janitors' closet.

4645.1700 ADMINISTRATION DEPARTMENT.

Where not available in an adjoining general hospital, the following facilities shall be provided in the administration department: a business office with information counter, telephone switchboard, cashiers' window, administrator's office, medical director's office, medical record room, medical social service office, combination conference room and doctors' lounge, lobby and waiting room, public toilets, and a locker room and toilets for personnel.

For efficiency and economy of operation, a chronic disease hospital is best located as an integral part or unit immediately adjacent to and operated in connection with a large, modern, well-equipped, and completely staffed acute general hospital. Essentially all of the services of the general hospital are necessary for the complete care of the chronic disease patient. The rehabilitation services and facilities of the chronic hospital should be readily available to the acute patient in need of such services and also available on an outpatient basis. The medical and nursing staff of the general hospital can also serve the chronic unit.

Some of the basic services (food service, laundry, boiler plant, etc.) can be provided through the general hospital thus making construction and operational costs less expensive.

4645.1800 ADJUNCT DIAGNOSTIC AND TREATMENT FACILITIES.

Where not available in an adjoining general hospital, adjunct diagnostic and treatment facilities shall be provided.

4645.1900 SPECIALIZED TREATMENT FACILITIES.

Subpart 1. **Physical therapy.** Space and equipment shall be provided for electrotherapy, massage, hydrotherapy, and exercise. In the larger unit, an office shall be provided for the physical therapist and a conference room shall be provided near the physical therapy area.

Subp. 2. **Occupational therapy.** Space and equipment shall be provided for diversified occupational therapy work. An exhibit space shall be provided. In the larger unit, an office shall be provided for the occupational therapist.

4645.2000 SPECIAL SERVICE ROOMS.

Where not available in the adjoining general hospital, the following special service rooms shall be provided: eye, ear, nose, and throat room; dental facilities; doctors' office; and a treatment room which may also be used as an emergency operating room. Provision shall also be made for a nurses' office and a patients' waiting room and toilets.

4645.2100 NURSING DEPARTMENT.

A nursing unit shall not exceed 50 beds unless additional services and facilities are provided. No room shall have more than six beds and not more than three beds deep from the outside wall. A quiet room shall be provided. Room locations, areas, and equipment as specified for general hospitals shall apply. In addition to the requirements for the general hospital, the following shall be provided: bathtubs or showers in the ratio of one tub or shower for each 20 patients or fraction thereof; wheelchair parking area; treatment room, one for each two nursing units on a floor; dayrooms or solariums for each nursing floor providing 25 square feet per patient; a dining room with a minimum of 15 square feet for each ambulatory patient, which may be designed for multiple seatings; assembly room, capable of seating the entire ambulant population with ample space for wheelchairs, adjacent wash rooms and toilets adequate in size to accommodate wheelchairs; and projection facilities. Provision shall be made for beauty parlor and barber shop services.

4645.2200 SERVICE DEPARTMENT.

Subpart 1. **Kitchen area for preparation of special diets.** In addition to the requirements for the general hospital, adequate space in the main kitchen shall be provided for the preparation of special diets.

Subp. 2. **Storage.** In addition to the requirements for the general hospital, a patient's clothes storage room shall be provided. Adequate storage space shall be provided for reserve equipment.

4645.2300 SPACE ALLOWANCES FOR WHEELCHAIRS.

Space allowance shall be more generous than in other types of hospitals to allow for wheelchair traffic in such areas as dining rooms, recreation rooms, and toilets. Corridors shall be not less than eight feet wide with handrails on both sides. Water closet enclosures, urinals, showers, and tubs shall be easily accessible and provided with grab bars. Lavatories shall be of sufficient height to allow for use by wheelchair patients. Doorways shall not have raised thresholds. Ten-foot corridors are recommended. It is recommended that walls of corridors, toilet rooms, etc. be constructed of durable material to the level of the hand rails in order to withstand the impact of wheelchairs and heavy equipment. Adjustable height beds are recommended.

4645.2400 DETAILS AND FINISHES, GENERAL REQUIREMENTS FOR ALL HOSPITALS.

Subpart 1. **Ceilings.** The ceilings of the following areas shall have smooth, waterproof painted, glazed, or similar finishes: operating rooms, delivery rooms, sculleries, and kitchens. The ceilings of the following areas shall be acoustically treated: corridors in patient areas, nurses' stations, floor pantries, quiet rooms, and pediatric rooms. The ceiling of the labor room shall be acoustically treated unless it is located apart from the patient areas.

Ceiling heights shall be at least eight feet clear except for storage closets and other minor auxiliary rooms where they may be lower. Ceiling heights for laundry and kitchen shall be at least nine feet clear. Special equipment such as X-ray and surgical lights may require greater ceiling heights. Ceilings of boiler rooms located below occupied spaces shall be insulated or the temperatures otherwise controlled to permit comfortable occupancy of the spaces above.

Subp. 2. **Corridor widths.** Corridor widths shall be not less than seven feet. A greater width shall be provided at elevator entrances and in areas where special equipment is to be used.

Subp. 3. **Door widths.** Door widths shall be not less than three feet eight inches at all bedrooms, treatment rooms, operating rooms, X-ray rooms, delivery rooms, labor rooms, solariums, and physical therapy rooms. No doors shall swing into the corridor except closet doors and exit and stairway doors required to swing in the lane of egress travel. The door-swing requirement does not apply to psychiatric units or mental hospitals.

Subp. 4. **Floors.** The floors of the following areas shall have smooth, water-resistant surfaces: toilets, baths, bedpan rooms, utility rooms, janitors' closets, floor pantries, pharmacies, laboratories, and patients' rooms. The floors of the food preparation and formula rooms shall be water-resistant, grease-resistant, smooth, and resistant to heavy wear. The floors of the operating rooms, delivery rooms, and rooms or spaces where explosive gases are used or stored shall have conductive flooring as defined in Part II of Standard No. 56, issued in May, 1954, entitled Recommended Safe Practice for Hospital Operating Rooms by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts which part of said standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

Subp. 5. **Laundry chutes.** Where laundry chutes are used, they shall be not less than two feet in diameter.

Subp. 6. **Stair widths.** Stair widths shall be not less than three feet eight inches. The width shall be measured between handrails where handrails project more than 3-1/2 inches. Platforms and landings shall be large enough to permit stretcher travel in emergencies.

Subp. 7. **Walls.** The walls of the following areas shall have smooth, waterproof painted, glazed, or similar finishes: kitchens, sculleries, utility rooms, baths, showers, dishwashing rooms, janitors' closets, sterilizing room, spaces with sinks or lavatories, operating rooms, and delivery rooms.

4645.2500 DESIGN DATA.

The buildings and all parts thereof shall be of sufficient strength to support all dead, live, and lateral loads without exceeding the working stresses permitted for construction materials in generally accepted good engineering practice. Special provisions shall be made for machines or apparatus loads which would cause a greater load than the specified minimum live load. Consideration shall be given to structural members and connections of structures which may be subject to severe windstorms. Floor areas where partition locations are subject to change shall be designed to support, in addition to all other loads, a uniformly distributed load of 25 pounds per square foot.

4645.2600 LIVE LOADS.

The following unit live loads shall be taken as the minimum distributed live loads for:

- A. bedrooms and all adjoining service rooms which comprise a typical nursing unit, except solariums and corridors, 40 pounds per square foot;
- B. solariums, corridors in nursing units, operating suites, examination and treatment rooms, laboratories, toilet and locker rooms, 60 pounds per square foot;
- C. offices, conference room, library, kitchen, radiographic room, corridors, and other public areas on first floor, 80 pounds per square foot;
- D. stairways, laundry, large rooms used for dining, recreation, or assembly purposes, workshops, 100 pounds per square foot;
- E. records file room, storage and supply rooms, 125 pounds per square foot;
- F. mechanical equipment room, 150 pounds per square foot;
- G. roofs, 40 pounds per square foot; and
- H. wind loads, as required by design conditions, but not less than 15 pounds per square foot for buildings less than 60 feet above ground.

4645.2700 CONSTRUCTION.

Foundations shall rest on natural solid ground and shall be carried to depth of not less than one foot below the estimated frost line or shall rest on leveled rock or load-bearing piles when solid ground is not encountered. Footings, piers, and foundation walls shall be adequately protected against deterioration from the action of groundwater. Reasonable care shall be taken to establish proper soil-bearing values for the soil at the building site. If the bearing capacity of a soil is not definitely known or is in question, a recognized load test shall be used to determine the safe bearing value. Hospitals shall be constructed of incombustible materials, using a structural framework of reinforced concrete or structural steel except that masonry walls and piers may be utilized for buildings up to three stories in height not accounting for penthouses. The various elements of such buildings shall meet the following fire-resistive requirements:

- A. party and firewalls, four hours;
- B. exterior bearing walls, three hours;
- C. exterior panel and curtain walls, three hours;
- D. inner court walls, three hours;
- E. bearing partitions, three hours;
- F. non-load-bearing partitions, one hour;
- G. enclosures for stairs, elevators and other vertical openings, two hours;
- H. columns, girders, beams, trusses, three hours;
- I. floor panels, including beams and joists in same, two hours; and
- J. roof panels, including beams and joists in same, two hours.

Stairs and platforms shall be reinforced concrete or structural steel with hard incombustible materials for the finish of risers and treads. Rooms housing furnaces, boilers, combustible storage or other facilities which may provide fire hazards shall be of three-hour fire-resistive construction.

4645.2800 HEATING, PIPING, VENTILATION, AND AIR-CONDITIONING.

The heating system, piping, boilers, ventilation, and air-conditioning shall be furnished and installed to meet the requirements as set forth herein and the requirements of Part II of Standard No. 56, issued in May, 1954, entitled Recommended Safe Practice for Hospital Operating Rooms by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts, which part of said standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this part. It is recommended that ventilating systems be designed for air cooling or for the future addition of air cooling.

4645.2900 BOILERS.

Boilers shall have the necessary capacity to supply the heating, ventilating, and air-conditioning systems and hot water and steam operated equipment, such as sterilizers and laundry and kitchen equipment. Spare boiler capacity shall be provided in a separate unit to replace any boiler which might break down. Standby boiler feed pumps, return pumps, and circulating pumps shall be provided.

4645.3000 HEATING.

Subpart 1. **Heating system.** The building shall be heated by a hot water, steam, or equal type heating system. Each radiator shall be provided with a hand control or automatic temperature control valve. The heating system shall be designed to maintain a minimum temperature of 75 degrees Fahrenheit in nurseries, delivery rooms, operating and recovery rooms, and similar spaces and a minimum temperature of 70 degrees Fahrenheit in all other rooms and occupied spaces. The outside design temperature for the locality shall be based on the information contained in that portion of chapter 12 of the publication, issued in 1954, entitled Heating Ventilating Air Conditioning Guide by the American Society of Heating and Ventilating Engineers, 51 Madison Avenue, New York, New York, starting with Design Outdoor Weather Conditions on page 240 and ending on page 247 which portion of chapter 12 of said guide is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart.

Subp. 2. **Auxiliary heat.** Auxiliary heat supply shall be provided for heating in operating rooms, delivery rooms, and nurseries to supply heat when the main heating system is not in operation. This may be accomplished by proper separate zoning.

4645.3100 PIPING.

Subpart 1. **Pipe used in heating system.** Pipe used in heating and steam systems shall not be smaller in size than that prescribed in that portion of chapter 21 of the publication, issued in 1954, entitled Heating, Ventilating, Air Conditioning Guide, by the American Society of Heating and Ventilating Engineers, 51 Madison Avenue, New York, New York, starting with "Sizing Piping for Steam Heating Systems" on page 491 and continuing through "Sizing Piping for Indirect Heating Units" on page 506, which portion of chapter 21 of said guide is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth in and written as part of this subpart. The ends of all steam mains and low points in steam mains shall be dripped.

Subp. 2. **Valves.** Steam return and heating mains shall be controlled separately by a valve at boiler or header. Each steam and return main shall be valved. Each piece of equipment supplied with steam shall be valved on the supply and return ends.

Subp. 3. **Thermostatic control.** The heating system shall be thermostatically controlled using one or more zones.

Subp. 4. **Coverings.** Boilers and smoke breeching shall be insulated with covering having a thermal resistance (1/c) value of not less than 1.96 and one-half inch plastic asbestos finish covered with four ounce canvas. All high-pressure steam and return piping shall be insulated with covering not less than the equivalent of one inch four-ply asbestos covering.

Heating supply mains in the boiler room, in unheated spaces, unexcavated spaces, and where concealed, shall be insulated with a covering of asbestos air cell having a thickness of not less than one inch.

4645.3200 VENTILATION.

Sterilizer rooms, sterilizer equipment chambers, bathrooms, hydrotherapy rooms, garbage storage, and can washing rooms shall be provided with forced or suitable exhaust ventilation to change the air at least once every six minutes. A similar ventilating system shall be provided for rooms lacking outside windows such as utility rooms, toilets, and bedpan rooms. Kitchens, morgues, and laundries which are located inside the hospital building shall be ventilated by exhaust systems which will discharge the air above the main roof or at least 50 feet from any window. The ventilation of these spaces shall comply with the state or local codes but if no code governs, the air in the work spaces shall be exhausted at least once every ten minutes with the greater part of the air being taken from the flat work ironer and ranges. All exhaust ducts shall be provided with control dampers. Summertime ventilation rate of laundry, in excess of equipment requirements, may be introduced through doors, windows, or louvers in laundry room walls and be exhausted by exhaust fans located in walls generally opposite from intakes or arranged to provide the best possible circulation within the room. Rooms used for the storage of inflammable material shall be ventilated in accordance with the requirements of the state fire marshal. The operating and delivery rooms shall be provided with a supply ventilating system with heaters and humidifiers which will change the air at least eight times per hour by supplying fresh filtered air humidified to reduce the electrostatic hazard. Humidifiers shall be capable of maintaining a minimum relative humidity of 55 percent at 75 degrees Fahrenheit temperature. No recirculation shall be permitted. The air shall be removed from these rooms by a forced system of exhaust. The sterilizing rooms adjoining these rooms shall be furnished with an exhaust ventilating system. The supply air to operating rooms may be exhausted from operating rooms to adjoining sterilizer or work rooms from where it shall be exhausted. Exhaust systems of ventilation shall be balanced with an approximately equal amount of supply air delivered directly into the rooms or areas being exhausted or to other spaces of the hospital such as corridors. All outdoor supply air shall be tempered and filtered. All outdoor air intake louvers shall be located in areas relatively free from dust, obnoxious fumes, and odors.

4645.3300 INCINERATOR.

An incinerator shall be provided to burn dressings, infectious materials, and amputations. When garbage is incinerated, the incinerator shall be of a design that will burn 50 percent wet garbage completely without objectionable smoke or odor. The incinerator shall be designed with drying hearth, grates, and combustion chamber lined with fire brick. The gases shall be carried to a point above the roof of the hospital. Provisions for air supply to the incinerator room shall be made. Gas- or oil-fired incinerators are desirable.

4645.3400 WATER SUPPLY.

The water supply shall be of safe sanitary quality, suitable for use, and shall be obtained from a water supply system, the location, construction, and operation of which are acceptable to the commissioner of health.

4645.3500 PLUMBING AND DRAINAGE.

Subpart 1. **Problems.** Problems of a special nature applicable to the hospital plumbing system include the following.

Subp. 2. **Vapor vent systems.** Permanently installed pressure sterilizers, other sterilizers which are provided with vent openings, steam kettles, and other fixtures requiring vapor vents shall be connected with a vapor venting system extending up through the roof independent of the plumbing fixture vent system. The vertical riser pipe shall be provided with a drip line which discharges into the drainage system through an air-gap or open fixture.

The connection between the fixture and the vertical vent riser pipe shall be made by means of a horizontal offset.

Subp. 3. **Plumbing fixtures.** Water closets in and adjoining patients' areas shall be of a quiet-operating type. Flush valves in rooms adjoining patients' rooms shall be designed for quiet operation with quiet-acting stops. Gooseneck spouts and wrist-action controls shall be used for patients' lavatories, nursery lavatories, and sinks which may be used for filling pitchers. Foot, knee, or elbow-action faucets shall be used for doctors' scrub-up, including nursery work room; utility and clinic sinks; and in treatment rooms. Elbow or wrist-action spade handle controls shall be provided on other lavatories and sinks used by doctors or nurses.

Subp. 4. **Special precautions for mental patients.** Plumbing fixtures which require hot water and which are accessible to mental patients shall be supplied with water which is thermostatically controlled to provide a maximum water temperature of 110 degrees Fahrenheit at the fixture. Special consideration shall be given to piping, controls, and fittings of plumbing fixtures as required by the types of mental patients. No pipes or traps shall be exposed and fixtures shall be substantially bolted through walls. Generally, for disturbed patients, special-type water closets without seats shall be used and shower and bath controls shall not be accessible to patients.

Subp. 5. **Hot water heaters and tanks.** The hot water heating equipment shall have sufficient capacity to supply at least five gallons of water at 150 degrees Fahrenheit per hour per bed for hospital fixtures, and at least eight gallons at 180 degrees Fahrenheit per hour per bed for the laundry and kitchen. The hot water storage tank or tanks shall have a capacity equal to 80 percent of the heater capacity. Where direct-fired hot water heaters are used, they shall be of the high-pressure cast iron type. Submerged steam heating coils shall be of copper. Storage tanks shall be of corrosion-resistant metal or be lined with corrosion-resistant material. Tanks and heaters shall be fitted with vacuum and relief valves, and where the water is heated by coal or gas, they shall have thermostatic relief valves. Heaters shall be thermostatically controlled.

Subp. 6. **Water supply systems.** Cold water and hot water mains and branches from the cold water service and hot water tanks shall be run to supply all plumbing fixtures and equipment which require cold or hot water or both for their operation. Pressure and pipe size shall be adequate to supply water to all fixtures with a minimum pressure of 15 pounds at the top floor fixtures during maximum demand periods. Where booster systems are necessary, water shall be supplied to the booster pump through a receiving tank in which the water level is automatically controlled. The receiving tank shall have a properly constructed and screened opening to the atmosphere and a watertight, overlapping cover. The receiving tank and booster pump shall be situated entirely above the ground level. If a pressure tank is employed in the booster system, it shall also be situated above ground level. Hot water circulating mains and risers shall be run from the hot water storage tank to a point directly below the highest fixture at the end of each branch main. Where the building is higher than three stories, each riser shall be circulated.

Subp. 7. **Roof and area drainage.** Leaders shall be provided to drain the water from roof areas to a point from which it cannot flow into the basement or areas around the building. Courts, yards, and drives which do not have natural drainage from the building shall have catch basins and drains to low ground, storm water system, or dry wells. Where dry wells are used, they shall be located at least 20 feet from the building.

Subp. 8. **Valves.** Each main, branch main, riser, and branch to a group of fixtures of the water systems shall be valved.

Subp. 9. **Insulation.** Hot water tanks and heaters shall be insulated with covering equal to one inch, four-ply air cell. Hot water and circulating pipes shall be insulated with covering equal to canvas jacketed three-ply asbestos air cell. Cold water mains and exposed rain water leaders in occupied spaces and in store rooms shall be insulated with

canvas-jacketed felt covering to prevent condensation. All pipes in outside walls shall be insulated to prevent freezing.

Subp. 10. **Tests.** Water pipe shall be hydraulically tested to a pressure equal to twice the working pressure.

4645.3600 STERILIZERS.

Sterilizers and autoclaves of the required types and necessary capacity shall be provided to sterilize instruments, utensils, dressings, water, and other materials and equipment. The flasking system for sterile water supply is recommended. The sterilizers shall be of recognized hospital types with approved controls and safety features.

4645.3700 SEWAGE AND WASTE DISPOSAL.

All building sewage shall be discharged into a municipal sanitary sewer system, if available, otherwise an independent sewage disposal system shall be provided which is constructed in accordance with the requirements of the commissioner of health.

4645.3800 GAS PIPING.

Gas appliances shall bear the stamp of approval of the American Gas Association. Oxygen piping outlets and manifolds where used shall be installed in accordance with publication No. 565, issued in 1951, entitled Standard for Nonflammable Medical Gas Systems by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts, which standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth and written as part of this part.

4645.3805 REFRIGERATION.

Subpart 1. **Extent of coverage.** This part shall include portable refrigerators, built-in refrigerators, garbage refrigerators, ice-making and refrigerator equipment, and morgue boxes.

Subp. 2. **Box construction.** Boxes shall be lined with nonabsorbent sanitary material which will withstand the heavy use to which they will be subjected and shall be constructed so as to be easily cleaned. Refrigerators of adequate capacity shall be provided in all kitchens and other preparation centers where perishable foods will be stored. In the main kitchen, a minimum of two separate sections or boxes shall be provided, one for meats and dairy products, and one for general storage.

Subp. 3. **Refrigerator machines.** Toxic, "irritant," or inflammable refrigerants shall not be used in refrigerator machines located in buildings occupied by patients. The compressors and evaporators shall have sufficient capacity to maintain temperatures of 35 degrees Fahrenheit in the meat and dairy boxes, and 40 degrees Fahrenheit in the general storage boxes when the boxes are being used normally. Compressors shall be automatically controlled.

Subp. 4. **Tests.** Compressors, piping, and evaporators shall be tested for leaks and capacity.

4645.3900 ELECTRICAL SYSTEMS.

Electrical systems shall be furnished and installed to meet the requirements as set forth herein and the requirements of part 2 of the Standard No. 56 issued in May 1954, entitled "Recommended Safe Practice for Hospital Operating Rooms," by the National Fire Protection Association, 60 Batterymarch Street, Boston, Massachusetts, which part of said standard is hereby adopted by the commissioner of health with the same force and effect as if the same were fully set forth and written as part of this part.

4645.4000 FEEDERS AND CIRCUITS.

Separate power and light feeders shall be run from the service to a main switchboard and from there, subfeeders shall be provided to the motors and power and light distributing panels. Where there is only one service feeder, separate power and light feeders from the service entrance to the switchboard will not be required. From the power panels, feeders shall be provided for large motors, and circuits from the light panels shall be run to the lighting outlets. Large heating elements shall be supplied by separate feeders from the local utility and installed as directed. Independent feeders shall be furnished for X-ray equipment.

4645.4100 LIGHT PANELS.

Light panels shall be provided on each floor for the lighting circuits on that floor. Light panels shall be located near the load centers not more than 100 feet from the farthest outlet.

4645.4200 LIGHTING OUTLETS, RECEPTACLES, AND SWITCHES.

All occupied areas shall be adequately lighted as required for the duties performed in the space. Patients' bedrooms shall have as a minimum: general illumination, a bracket or receptacle for each bed, a duplex receptacle for each two beds for doctor's examining light, and a night light. Where ceiling lights are used in patients' rooms, they shall be of a type which does not shine in the patients' eyes. The outlets for night lights shall be independently switched at the door. Receptacles for special equipment shall be of a heavy duty type on separate circuits. Switches in patients' rooms shall be of an approved mercury or equal, quiet-operating type, except for cord operated switches on fixtures. No lighting fixtures, switches, receptacles or electrical equipment shall be accessible to disturbed mental patients. Operating and delivery rooms shall be provided with special lights for the tables, each on an independent circuit, and lights for general illumination. Not less than three explosion-proof receptacles shall be provided in each operating and delivery room except that the explosion-proof type will not be required if the receptacles are above the five-foot level. Each operating room shall have a film-viewing box. All switches, viewing boxes, and equipment controls installed below the five-foot level shall be explosion-proof.

4645.4300 EMERGENCY ELECTRICAL SYSTEM.

Each hospital shall have a source of emergency power which may be an entirely separate outside source from an independent generating plant, a generator operated by a prime mover, or a battery with adequate means for charging. Where the installation consists of a standby generator operated by a prime mover, it shall be of a size sufficient to supply all estimated current demands for required areas. The system shall be so arranged that, in the event of failure of the principal source of current, the emergency system shall be automatically placed in operation. Emergency lighting shall be provided for: stairs; exits; patient corridors; corridors leading to exits; exit signs; operating, delivery, and emergency rooms; telephone switchboard room; nurseries; emergency generator room; boiler room; and all psychiatric patient areas.

It is recommended that emergency power be provided for the operation of at least one boiler.

4645.4400 NURSES' CALL.

Each patient shall be furnished with a nurses' call which will register at the corridor door, at the nurses' station, and in each floor kitchen and utility room of the nursing unit. A duplex unit may be used for two patients. Indicating lights shall be provided at each station where there are more than two beds in a room. Nurses' call stations will not be required for psychiatric occupancies, pediatric rooms, and nurseries where an emergency call shall be available in each room for the use of the nurse. A call station shall be provided in each operating and delivery room.

4645.4500 NUMBER OF CARS.

Any hospital with patients on one or more floors above the first floor or where the operating or delivery rooms are not on the first floor shall have at least one mechanically driven elevator. Hospitals with a bed capacity of from 60 to 200 above the first floor shall have not less than two elevators. Hospitals with a bed capacity of from 200 to 350 above the first floor shall have not less than three elevators, two passenger and one service.

4645.4600 CABS.

Cabs shall be constructed with fireproof material. Passenger cab platforms for the minimum required number of elevators shall be not less than five feet four inches by eight feet with a capacity of at least 3,500 pounds. Cab and shaft doors shall be not less than three feet ten inches clear opening. Service elevators shall be of sufficient size to receive a stretcher with patient.

4645.4700 CONTROLS.

Elevators, for which operators will not be employed, shall have automatic push-button control, signal control, or dual control for use with or without operator. Where two push-button elevators are located together and where one such elevator serves more than three floors and basement, they shall have collective or signal control. Where the car has a speed of more than 100 feet per minute or has a rise of four or more floors, the elevator shall be equipped with automatic self-leveling control which will automatically bring the car platform level with the landing with no load or full load. Multivoltage or variable voltage machines shall be used where speeds are greater than 150 feet per minute. For speeds above 350 feet per minute, the elevators shall be of the gearless type.

4645.4800 DUMBWAITERS.

Dumbwaiter cabs shall be not less than 24 inches by 24 inches by 36 inches of steel with one shelf to operate at a speed of 50 feet to 100 feet per minute when carrying a load of 100 pounds. Dumbwaiters serving basement and four floors shall have a minimum speed of 100 feet per minute.

4645.4900 TESTS.

Elevator machines shall be tested for speed and load with and without loads in both directions and shall be given overspeed tests as required by the Minnesota Department of Labor and Industry.

4645.5100 KITCHEN EQUIPMENT FOR ALL HOSPITALS.

Subpart 1. **Equipment.** The equipment shall be adequate, properly constructed, and so arranged as to enable the storage, preparation, cooking, and serving of food and drink to patients, staff, and employees to be carried out in an efficient and sanitary manner. The equipment shall be selected and arranged in accordance with the types of food service adopted for the hospital. Cabinets or other enclosures shall be provided for the storage or display of food, drink, and utensils and shall be designed as to protect them from contamination by insects, rodents, other vermin, splash, dust, and overhead leakage. All utensils and equipment surfaces with which food or drink comes in contact shall be of smooth, nontoxic, corrosion-resistant material, free of breaks, open seams or cracks, chipped places, and V-type threads. Sufficient separation shall be provided between equipment and the walls or floor to permit easy cleaning or the equipment shall be set tight against the walls or floor and the joint properly sealed.

Subp. 2. **Dishwashing facilities.** The necessary equipment shall be provided to accomplish either of the two methods of dishwashing as described under part 4640.2900.

4645.5200 LAUNDRY FOR ALL HOSPITALS.

Where laundries are provided, they shall be complete with washers, extractors, tumblers, ironers, and presses which shall be provided with all safety appliances and meet all sanitary requirements.

4700.1900 PURPOSE, SCOPE, AND APPLICABILITY.

The purpose and scope of parts 4700.1900 to 4700.2500 is to prescribe requirements applicable to family planning special project grants, to establish minimum standards for family planning services supported in whole or in part by family planning special project grant funds, and to provide criteria for the review of family planning special project grant applications.

Minnesota Statutes, section 145.925, contains a provision prohibiting use of these funds for abortions, and for family planning services to unemancipated minors in an elementary or secondary school building; requiring notice to parents or guardians of unemancipated minors to whom abortion or sterilization is advised, except as provided in Minnesota Statutes, sections 144.341 and 144.342; and prohibiting coercing anyone to undergo an abortion or sterilization.

4700.2000 DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 4700.1900 to 4700.2500, the following terms have the meanings given them in this part.

Subp. 2. **Approvable application.** "Approvable application" means an application which meets the criteria for award, as specified in part 4700.2300.

Subp. 3. **Community health board.** "Community health board" means a community health board established, operating, and eligible for a subsidy under Minnesota Statutes, sections 145A.09 to 145A.13.

Subp. 4. **Current award.** "Current award" means the amount of family planning special project grant funds received in the year immediately preceding the one for which a new grant of family planning special project funds is requested.

Subp. 5. **Current recipient.** "Current recipient" means an agency receiving family planning special project grant funds in the year immediately preceding the one for which a new grant of family planning special project funds is requested.

Subp. 6. **Family planning.** "Family planning" means voluntary planning and action by individuals to attain or prevent pregnancy.

Subp. 7. **Family planning methods.** "Family planning methods" means agents and devices for the purpose of fertility regulation prescribed by a licensed physician, and other agents and devices for the purpose of fertility regulation including, spermicidal agents, diaphragms, condoms, oral contraceptives, intrauterine devices, natural family planning methods, sterilizations, and the diagnosis and treatment of infertility by a licensed physician, which can be paid for in whole or in part by family planning special project grant funds.

Subp. 8. **Family planning services components.** "Family planning services components" means the public information, outreach, counseling, method, referral, and follow-up categories under which all services provided by family planning service providers must be described. The minimum standards in part 4700.2210 serve to define these components.

Subp. 9. **High risk person.** "High risk person" means an individual whose age, health, prior pregnancy outcome, or socioeconomic status increases her chances of experiencing an unplanned pregnancy or problems during pregnancy. High risk persons include, but are not limited to, women under 18 or over 35; women who have experienced premature labor and delivery; women with existing health problems such as diabetes, anemia, and obesity; and persons whose individual or family income is determined to be at or below 200 percent

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of the official income poverty line as defined by United States Code, title 42, section 9902, and as published by the Federal Office of Management and Budget and revised annually in the Federal Register. A copy of the most current guideline is available from the Office of Planning and Evaluation, Department of Health and Human Services, Washington, D.C., 20201, (202) 245-6141.

Subp. 10. **Linkages.** "Linkages" means formal or informal arrangements between the applicant and other family planning providers including contracts, reciprocal referral agreements, and committees.

Subp. 11. **New applicant.** "New applicant" means an agency which did not receive family planning special project funds in the year immediately preceding the one for which a grant of family planning special project funds is requested.

Subp. 12. **Provide.** "Provide" means to directly supply or render or to pay for in whole or in part.

Subp. 13. **Publicly subsidized.** "Publicly subsidized" means funded by federal, state, county, or city tax dollars, but does not include title XIX of the Social Security Act medical assistance funds.

Subp. 14. **Region.** "Region" means that group of counties represented by a single person on the executive committee of the State Community Health Advisory Committee. The counties in each region are as follows:

Northeastern	Northwestern	West Central
Aitkin	Becker	Clay
Carlton	Beltrami	Douglas
Cook	Clearwater	Grant
Itasca	Hubbard	Otter Tail
Koochiching	Kittson	Pope
Lake	Lake of the Woods	Stevens
Saint Louis	Mahnomen	Traverse
	Marshall	Wilkin
	Norman	
	Pennington	
	Polk	
	Red Lake	
	Roseau	
Central	Metro	South Central
Benton	Anoka	Blue Earth
Cass	Carver	Brown
Chisago	Dakota	Faribault
Crow Wing	Hennepin	Le Sueur
Isanti	Ramsey	McLeod
Kanabec	Scott	Martin

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Mille Lacs	Washington	Meeker
Morrison		Nicollet
Pine		Sibley
Sherburne		Waseca
Stearns		Watonwan
Todd		
Wadena		
Wright		

Southeastern

Southwestern

Dodge

Big Stone

Fillmore

Chippewa

Freeborn

Cottonwood

Goodhue

Jackson

Houston

Kandiyohi

Mower

Lac Qui Parle

Olmsted

Lincoln

Rice

Lyon

Steele

Murray

Wabasha

Nobles

Winona

Pipestone

Redwood

Renville

Rock

Swift

Yellow Medicine

4700.2100 CONTENT OF APPLICATION.

The application shall identify the geographic area to be served by the applicant and shall provide the following required information:

A. An inventory of existing family planning services provider agencies in the geographic area served by the applicant. The inventory shall include, for each provider agency, at least the agency name; addresses of all agency service sites; the target population served, including total number served if available (if unavailable, estimates will be acceptable); and the family planning service components provided.

B. An assessment of unmet needs of the geographic area to be served by the applicant. The assessment of unmet needs must, at least, identify unavailable family planning service components or unserved or underserved populations. A description of the method used in making the assessment shall be provided by the applicant.

C. A description of the family planning service components to be provided by the applicant. Each component to be provided with family planning special project funds must

meet the standards for that component described in part 4700.2210. The application must include a budget and budget justification and summary of applicable training or experience of persons providing services relevant to these components. Also, for each component provided, the application must describe:

- (1) the goals;
- (2) the population to be served (target population);
- (3) the specific objectives to be achieved during the funding period;
- (4) the methods by which each objective will be achieved; and
- (5) the criteria to be used to evaluate the progress towards each objective.

D. A description of the linkages between the applicant and other family planning services in the geographic area.

E. A description of fees to be charged individuals for any family planning services. Fees must be charged for services to individuals and must be in accordance with a sliding fee schedule for services and supplies based on the cost of such services or supplies and on the individual's ability to pay as determined by income, family size, and other relevant factors. Services shall not be denied based on ability to pay as specified in item H.

F. Assurance that services will be provided in accordance with state and federal laws and rules.

G. Assurance that the use of third-party sources of funding will be employed whenever possible.

H. Assurance that services will be provided without regard to age, sex, race, religion, marital status, income level, residence, parity, or presence or degree of disability except as otherwise required by law.

I. Assurance that arrangements shall be made for communication to take place in a language understood by the family planning service recipient.

J. Assurance that the privacy of the service recipient will be maintained in accordance with law.

K. Original signature on face sheet and budget forms.

4700.2210 MINIMUM STANDARDS FOR FAMILY PLANNING SERVICE COMPONENTS.

An applicant is not required to provide all components to be eligible for funding. However, the applicant must make available the names and addresses of other family planning services provider agencies in the geographic area, if any, who offer components and services not offered by the applicant.

All funded projects must establish linkages to facilitate access to outreach, counseling, and other component services for service recipients.

Procedures for referral and follow-up must be incorporated into all services that are provided by the applicant on a one-to-one basis.

The provision of all service components except public information shall include information on family planning services available from the applicant.

Service components to be provided by the applicant shall be defined by, and shall meet or exceed, the following minimum standards:

A. Public information must include specific activities designed to inform the general population about family planning and how to obtain information on all family planning service components available in the geographic area.

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B. Outreach must include specific activities designed to inform members of the target population about family planning and all the family planning service components available in the geographic area. Outreach activities shall include one-to-one or small group contacts with the target population.

Outreach must be conducted at times and places convenient to the target population. Persons conducting outreach shall have training or experience in family planning services.

C. Counseling must include utilization of nondirective techniques in a decision-making format which enables individuals to voluntarily determine their participation in family planning services and their family planning method of choice, if any. "Nondirective techniques" means techniques that employ open-ended questions to enable individuals to consider their feelings, attitudes, and values about alternatives and outcomes. A decision-making format means a format that allows individuals to consider alternatives and outcomes, weigh advantages and disadvantages, and make choices.

When individuals are seeking to prevent pregnancy, counseling shall include the provision and explanation of factual information on all family planning pregnancy prevention methods in a nonjudgmental manner. "Nonjudgmental manner" means a manner in which the counselor's personal values and beliefs do not interfere with the client's choices.

When individuals are seeking to attain pregnancy, counseling shall include the provision and explanation of factual information on infertility diagnosis and treatment and services for pregnant women available in the geographic area.

Counseling shall be available to any individual in the target population and shall be conducted at times and places convenient to the target population.

Counseling shall include documentation that information required in Minnesota Statutes, section 145.925, has been provided. Counseling shall be conducted by persons with training or experience in counseling and family planning services.

D. Method must include the provision to a service recipient of the recipient's family planning method of choice. Provision of any family planning method must include:

- (1) procedures which document that the service recipient participated in counseling prior to selecting a family planning method to prevent pregnancy;
- (2) voluntary selection of the family planning method by the service recipient;
- (3) information on the advisability of females obtaining a gynecological examination with Pap smear prior to initiating any family planning method;
- (4) education on the use of the selected family planning method, including the risks and benefits of the method; and
- (5) medical/laboratory services prior to the provision of a family planning method when the selected method requires medical intervention for prescription, fitting, insertion, or for surgical or diagnostic procedures. When the selected method does not require medical intervention, as described herein, the applicant shall encourage service recipients to obtain medical/laboratory services, but provision by the applicant is not required. Medical/laboratory services shall include:
 - (a) social and medical/surgical history with emphasis on the reproductive system;
 - (b) height, weight, and blood pressure measures;
 - (c) bimanual pelvic examination for females;
 - (d) breast examination and instruction on self-examination for females;
 - (e) hemoglobin or hematocrit;
 - (f) urinalysis for sugar and protein;

(g) Pap smear; and

(h) when indicated by history or symptoms, for both male and female as appropriate, diagnosis and curative treatment of venereal disease, diagnosis and treatment of vaginitis, diagnosis of pregnancy, and for females, as appropriate, provision of rubella immunization.

Medical services shall be rendered by licensed physicians, or professional nurses with documentable training in gynecological care conducted under the supervision of a licensed physician, or nurse midwives certified by the American College of Nurse Midwifery, or physician assistants, under the supervision of a licensed physician. Laboratory tests shall be conducted by personnel trained to conduct such tests.

E. Referral must include the provision, in writing, of information to service recipients which enables them to participate in family planning and other needed health and human services. Documentation of referrals must be maintained.

F. Follow-up must include specific procedures of continuing care designed to encourage safe and consistent utilization of family planning and other needed health and human services, using protocols based on accepted professional standards of care.

4700.2300 CRITERIA FOR AWARD OF FAMILY PLANNING SPECIAL PROJECT GRANTS.

Subpart 1. **Application criteria.** Applications which meet the requirements of law and parts 4700.1900 to 4700.2500 shall be deemed approvable applications and eligible for award according to the notice of availability and the following criteria.

Subp. 3. **Quality and content.** Applications will be evaluated on the basis of:

A. the extent the funds will be used to meet unmet needs in the geographic area as identified in the application;

B. the extent the application proposes an identifiable expansion in the scope of the family planning service system in the geographic area to be served by the applicant;

C. the extent the application proposes to coordinate family planning services with organizations, agencies, and individual providers in the geographic area to be served;

D. the extent the application proposes to serve high risk persons;

E. the extent the application proposes to maximize use of alternative sources of funding; and

F. the extent the application proposes to provide family planning methods according to part 4700.2210, item D.

Subp. 4. **Agency.** When equivalent and competing applications are submitted for a geographic area, award priorities will be in accordance with the following:

A. first priority will be given to community health boards; and

B. second priority will be given to eligible nonprofit corporations.

Subp. 4a. **Priority.** Current recipients of family planning special project funds will not be accorded any priority over new applicants.

Subp. 5. **Review and comment by community health board.** Before submission to the commissioner, the applicant shall submit the proposal to the community health board responsible for the geographic area in which the applicant proposes to provide its services, for the community health board's review and comment. The community health board's comments shall address the application based on the criteria in subpart 3. Any comments of a community health board shall be submitted to the commissioner within 45 days of the date the proposal was received by the community health board.

4700.2410 ALLOCATION SCHEME.

Subpart 1. **Family planning hotline grant.** Five percent of the total annual funds available or \$100,000 per year, whichever is less, must be allocated for a statewide family planning hotline. Applications must contain identifiable plans and budget allocations for both the operation of the hotline and its promotion statewide. If the grant award is not for the full amount of funds allocated under this subpart, the funds remaining must be reallocated for distribution under subpart 2.

Subp. 2. **Family planning services grants.** The portion of the total funds remaining after the distribution made under subpart 1 must be allocated according to this subpart. Except as provided in part 4700.2420, subpart 4, the family planning special project grant funds must be allocated on a regional basis according to the following needs-based distribution formula.

A. Determine the regional need by totaling the following three factors:

(1) the number of resident women within the region who are 12 to 18 years of age, determined by using Department of Health data from the most recent year for which it is available;

(2) the number of resident women within the region 19 to 34 years of age who are on medical assistance as determined by using Department of Human Services data from the most recent year for which it is available; and

(3) the number of resident women within the region who are 35 to 44 years of age as determined by using Department of Health data from the most recent year for which it is available.

B. Compute the regional proportion of the total state need for services by totaling the three factors in item A for each region and dividing each regional total by the sum of the three factors for the entire state.

C. Calculate the amount of family planning special project grant funds available for each region by multiplying its regional proportion by the total amount of money available for family planning special projects under this subpart.

4700.2420 FAMILY PLANNING SERVICES GRANT FUNDING.

Subpart 1. **Funding limit.** An applicant, other than an applicant for a family planning hotline grant, shall be limited to an annual application request of \$75,000 per region. Two or more agencies may submit a joint application; each agency that is a party to it shall be limited to an annual application request of \$75,000 for each region covered by the joint application.

Subp. 2. **Grant allocations.** The applications, other than those for a family planning hotline grant, must be ranked in order within each region from highest to lowest based on the criteria for award in part 4700.2300. The applications must be funded in rank order from highest to lowest until all available funds for the region are allocated.

Subp. 3. **Funding awards.** If the amount requested by any applicant is more than that reasonably required to provide the proposed services, or if the proposed services are not based on part 4700.2210 or 4700.2300, the commissioner must either deny funding or award less than the amount the applicant requested. When the commissioner decides to award less than requested, the applicant must submit a revised description of the target population, methodologies, budget, or budget justification as required by the commissioner to receive funding.

Subp. 4. **Contingency funding.** If any of the conditions in items A to D exist, the commissioner shall redistribute the funds according to this subpart.

A. If funds remain available in a region after all approvable applications are funded according to this part, the commissioner shall redistribute the funds to the other regions,

proportional to their share of funding need, based upon the process stated in part 4700.2410, subpart 2. The redistributed funds shall be awarded according to subpart 2.

B. Funds remaining available after all approvable applications are funded at the funding limit in subpart 1, and awarded according to subpart 2, will be proportionally distributed to all applicants with approvable applications. In order to receive additional funds, an applicant with an approvable application must submit a revised description of the target population, objectives, methodologies, budget, and budget justification to the commissioner within 60 days after receiving notice of the availability of additional funds.

C. If the department funds for family planning special project grants are increased after awards have been made under part 4700.2410, subpart 1, or 4700.2420, subparts 2 to 4, funds must first be allocated to the family planning hotline grant recipient within the funding limits specified in part 4700.2410, subpart 1. Remaining funds must then be distributed to the regions proportional to their share of funding need as determined according to part 4700.2410, subpart 2, and awarded according to part 4700.2420, subparts 2 to 4.

D. If department funds for family planning special project grants are reduced after awards have been made under this subpart or subpart 2 and part 4700.2410, subpart 1, all awards must be reduced proportionate to the department's reduction in these funds. A grant award recipient must submit a revised description of the target population, objectives, methodologies, budget, and budget justification to the commissioner within 60 days after receiving notice of reduced awards.

4700.2500 USE OF STATE FUNDS AVAILABLE FOR FAMILY PLANNING SPECIAL PROJECT GRANTS.

Family planning special project grant recipients may not replace funds from other sources, such as existing federal, state, or local funds which the recipient uses for family planning information or services and over which the recipient exercises discretion, with family planning special project grant funds. Recipients are not required to match funds available under family planning special project grants.

5610.0100 SWORN STATEMENT TO BOARD.

At the time a professional corporation files with the board the copy of its articles of incorporation as required by Minnesota Statutes, section 319A.08, and annually thereafter when such corporation files with the board its annual report as required by Minnesota Statutes, section 319A.21, it shall file with the board a statement under oath as to each and all of the following:

A. the address of the registered office of the corporation and the name of its proposed registered agent, if any, for service and process;

B. the name or names and respective office and residence addresses of the directors and officers of the corporation;

C. in the case of a corporation organized under Minnesota Statutes, chapter 301, a statement of the aggregate number of issued shares, itemized by classes and the person or persons to whom issued;

D. in the case of a corporation organized under Minnesota Statutes, chapter 317A, a statement of the names of the members of the corporation if no stock has been issued, or if stock has been issued, a statement of the aggregate number of issued shares, itemized by classes and the person or persons to whom issued;

E. a description of the nature of the professional services and ancillary services, if any, to be provided by the corporation;

F. the location or locations of the premises at which the applicant corporation proposes to provide professional services;

G. a statement listing the name or names of employees, other than members or shareholders of the corporation, who are licensed under Minnesota Statutes, chapter 147, to practice medicine and surgery within the state of Minnesota; and

H. a statement whether or not all shareholders, members, directors, officers, employees, and agents rendering professional service in Minnesota on behalf of the corporation are licensed to practice medicine and surgery in Minnesota or are otherwise authorized to render the professional service being rendered by the corporation.

5610.0200 SUSPENSION OR REVOCATION OF LICENSE OF SHAREHOLDER, MEMBER, DIRECTOR, OFFICER, EMPLOYEE, OR AGENT.

If the license to practice medicine in Minnesota of any shareholder, member, director, officer, employee, or agent rendering professional service in this state on behalf of the corporation is revoked or suspended by the board, the corporation shall forthwith remove from office and terminate the employment of such shareholder, member, director, officer, employee, or agent, and shall not reinstate in office or reemploy such shareholder, member, director, officer, employee, or agent unless and until the license to practice medicine in Minnesota is restored by the board.

5610.0300 WRITTEN NOTICE REQUIREMENT.

Every professional corporation shall promptly notify the board in writing upon the happening of any of the following events:

A. the death of any shareholder, member, director, officer, employee, or agent who is licensed to practice medicine in Minnesota;

B. the revocation or suspension of the license to practice medicine in Minnesota of any shareholder, member, director, officer, employee, or agent;

C. the amendment of the articles of incorporation or bylaws of the corporation, in which case a copy of such amendment shall be furnished to the board with such notice;

D. a change in the registered office of the corporation;

E. a change in the registered agent of the corporation;

F. the admission, election, or employment of a new shareholder, member, director, officer, employee, or agent of the corporation;

G. the termination, replacement, or discharge of a shareholder, member, director, officer, employee, or agent, in which case the professional corporation shall notify the board of the date thereof and reason therefor;

H. a change in the nature of the professional services and ancillary services, if any, provided by the corporation; or

I. a change in the location or locations of the premises at which the corporation provides or intends to provide professional services.

9505.0235 ABORTION SERVICES.

Subpart 1. **Definition.** For purposes of this part, "abortion related services" means services provided in connection with an elective abortion except those services which would otherwise be provided in the course of a pregnancy. Examples of abortion related services include hospitalization when the abortion is performed in an inpatient setting, the use of a facility when the abortion is performed in an outpatient setting, counseling about the abortion, general and local anesthesia provided in connection with the abortion, and antibiotics provided directly after the abortion.

Medically necessary services that are not considered to be abortion related include family planning services as defined in part 9505.0280, subpart 1, history and physical examination, tests for pregnancy and venereal disease, blood tests, rubella titer, ultrasound

tests, rhoGAM(TM), pap smear, and laboratory examinations for the purpose of detecting fetal abnormalities.

Treatment for infection or other complications of the abortion are covered services.

Subp. 2. **Payment limitation.** Unless otherwise provided by law, an abortion related service provided to a recipient is eligible for medical assistance payment if the abortion meets the conditions in item A, B, or C.

A. The abortion must be necessary to prevent the death of a pregnant woman who has given her written consent to the abortion. If the pregnant woman is physically or legally incapable of giving her written consent to the procedure, authorization for the abortion must be obtained as specified in Minnesota Statutes, section 144.343. The necessity of the abortion to prevent the death of the pregnant woman must be certified in writing by two physicians before the abortion is performed.

B. The pregnancy is the result of criminal sexual conduct as defined in Minnesota Statutes, section 609.342, paragraphs (c) to (f). The conduct must be reported to a law enforcement agency within 48 hours after its occurrence. If the victim is physically unable to report the criminal sexual conduct within 48 hours after its occurrence, the report must be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct.

C. The pregnancy is the result of incest. Before the abortion, the incest and the name of the relative allegedly committing the incest must be reported to a law enforcement agency.

9505.0505 DEFINITIONS.

Subp. 18. **Medical review agent.** "Medical review agent" means the representative of the commissioner who is authorized by the commissioner to administer procedures for admission certifications, medical record reviews and reconsideration, and perform other functions as stipulated in the terms of the agent's contract with the department.

9505.0520 INPATIENT ADMISSION CERTIFICATION.

Subp. 9b. **Reconsideration; physician advisers appointed by medical review agent.** Upon receipt of a request for reconsideration under subpart 9, the medical review agent shall appoint at least three physician advisers who did not take part in the decision to deny or withdraw all or part of the admission certification. Each physician adviser shall determine the medical necessity of the admission or the continued stay or, in the case of a readmission, determine whether the admission and readmission meet the criteria in part 9505.0540. The reconsideration decision must be the majority opinion of the physician advisers. In making the decision, the three physician advisers shall use the criteria of medical necessity set out in part 9505.0530.